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The British Underclass
Charles Murray

The Homelessness Muddle — *Robert C. Ellickson*

A Multibillion-Dollar Radon Scare — *Ben Bolch & Harold Lyons*

On the Higher Learning in America — *Thomas Sowell*

Understanding the Savings-and-Loan Debacle — *George J. Benston & George G. Kaufman*

Language Politics and American Identity — *Jack Citrin*

Pro and Con:

"Still an American Dilemma" — *Robert M. Hauser* et al. *vs. R. J. Herrnstein*

"In Praise of Punishment" — *Alexander E. Rawls vs. Stanley C. Brubaker*

Antihumanism in the Humanities
Joel Schwartz

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Warren D. Manshel
1924-1990

We are saddened by the passing of our friend and publisher, Warren Manshel. In addition to his many other contributions to the public interest—as Ambassador to Denmark from 1978 to 1981, founder of *Foreign Policy* magazine, etc.—Warren has been the publisher of *The Public Interest* ever since its inception twenty-five years ago. It is impossible to exaggerate the contribution he has made over this quarter-century. We shall dearly miss him.

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The British underclass

CHARLES MURRAY

IS THE UNDERCLASS an American phenomenon? It often seems so. Reports about Western Europe's social democracies typically portray societies in which the low-income class is hardworking and responsible. Only the United States of America, these reports suggest, is stricken with a large urban population that seems mired at the bottom of society, disorganized and demoralized.

On the left, the blame for this situation is often ascribed to the United States's failure to adopt a generous welfare state, Sweden being the standard to which the United States should aspire. But it is also widely accepted by left and right alike that the underclass in the United States is unique in that it is predominantly black. It is also widely thought, though more controversially, that the historical experiences of American blacks help to explain today's underclass. Several theorists have focused on the legacy of slavery; Nicholas Lemann has emphasized the black sharecropper experience; William Julius Wilson calls attention to the elimination of

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This article is adapted with permission from "Underclass," The Sunday Times Magazine, *November 26, 1989.*

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manufacturing jobs that black city dwellers once held. Even people who assign more blame to bad contemporary policy than to history (I am one of them) take for granted that it is hard to find Caucasian counterparts to the poorest black neighborhoods in any large American city.

The question of a developing underclass in other Western countries is thus of special interest. If the United States is indeed alone, explanations based on the black experience and a stingy welfare state become more persuasive. If other countries have experienced similar trends, we have a basis for disentangling the factors in modernization, or in policy, or both, that stimulate the growth of what we have come to call an underclass. And so last year I accepted with considerable curiosity an invitation by the London *Sunday Times* to explore the possibility of an English underclass.

Old concept, new label

Because definition is always a problem when discussing the underclass, let me begin by providing mine. By "underclass" I refer not to poor people, but to a subset of poor people who chronically live off mainstream society (directly through welfare or indirectly through crime) without participating in it. They characteristically take jobs sporadically if at all, do not share the social burdens of the neighborhoods in which they live, shirk the responsibilities of fatherhood and are indifferent (or often simply incompetent) mothers.

The British were among the first to describe an urban underclass, never more evocatively than through Henry Mayhew's 1850 articles in the *Morning Chronicle*, which first drew the Victorians' attention to poverty. To Mayhew, what we would call a member of the underclass was "distinguished from the civilized man by his repugnance to regular and continuous labor—by his want of providence in laying up a store for the future—by his inability to perceive consequences ever so slightly removed from immediate apprehension—by his passion for stupefying herbs and roots and, when possible, for intoxicating fermented liquors...." Other popular labels for this kind of poor person were "dishonest," "undeserving," "unrespectable," "depraved," "debased," "disreputable," or "feckless."

As Britain entered the 1960s, this distinction between honest and dishonest poor people had been softened. The second kind of poor person was no longer "undeserving"; rather, he was the prod-

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uct of a "culture of poverty." But intellectuals as well as the man in the street continued to accept that poor people were not all alike. Most were doing their best under difficult circumstances; a small number were pretty much as Mayhew had described them. Then came the intellectual reformation that swept both the United States and Britain in the mid-1960s, bringing with it a new way of looking at the poor. Henceforth, the poor were to be homogenized. The only difference between poor people and everyone else, we were told, was that the poor had less money. More importantly, the poor were all alike. There was no such thing as the ne'er-do-well poor person—he was the figment of the prejudices of a parochial middle class. Poor people, *all* poor people, were equally victims, and would be equally successful if only society gave them a fair shake.

The difference between the United States and Britain was that the United States reached the future first. During the last half of the 1960s and throughout the 1970s, something strange and disturbing was happening among poor people in the United States. Poor communities, whose inhabitants had mostly been hard workers and good neighbors, began deteriorating. Drugs, crime, illegitimacy, homelessness, dropping out of school and the job market, casual violence—all the measures that were available to social scientists showed large increases, focused in poor communities. As the 1980s began, the growing population of "the other kind of poor people" could no longer be ignored, and a label for it came into use: the underclass.

By and large, British intellectuals still disdain the term. In 1987, the social historian John Macnicol summed up the prevailing view in the *Journal of Social Policy*, writing dismissively that underclass was nothing more than a refuted concept periodically resurrected by conservatives "who wish to constrain the redistributive potential of state welfare." But there are beginning to be breaks in the ranks. Frank Field, the prominent Labour MP, has just published a book with "underclass" in its subtitle. The newspapers, watching the United States and seeing shadows of its problems in Britain, have begun to use the term.

And well they should. I must introduce caveats to that statement. My trip to Britain was a reconnaissance, not a full-scale study. I cannot estimate the size of the British underclass with any confidence. It is possible that the British underclass will for a long time prove less dysfunctional than the American variety. Despite the caveats, however, the warning signs of an underclass in Britain

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are reasonably clear. Britain does have an underclass as I have defined it—people living off mainstream society without participating in it—still largely out of sight and still smaller than the one in the United States. But it is growing rapidly. Within the next decade, it could easily become as large (proportionately) as America's.

In making this case, I will concentrate on three phenomena that have turned out to be early-warning signals in the United States: illegitimacy, violent crime, and dropout from the labor force. I begin with illegitimacy, which in my view is the best predictor of an underclass in the making.

Illegitimacy

To focus on illegitimacy still raises hackles in Britain, just as it did in America during the 1970s. Why should it be a "problem" that a woman has a child without a husband? Why can't a single woman raise a healthy, happy child, provided that she receives enough support from the state? Why is raising a child without having married any more of a problem than raising a child after a divorce? The very word "illegitimate" is intellectually illegitimate. Using it in a gathering of British academics is a faux pas, causing pained silence.

I nonetheless focus on illegitimacy rather than on the more general phenomenon of one-parent families because, in a world where all social trends are ambiguous, illegitimacy is less ambiguous than other forms of single parenthood. It is a matter of degree. Of course some unmarried mothers are excellent mothers and some unmarried fathers are excellent fathers. Of course some divorced parents disappear from their children's lives altogether, and some divorces have more destructive effects on the children than a failure to marry would have had. Being without two parents is generally worse for the child than having two parents, no matter how it happens. But illegitimacy bespeaks an attitude on the part of one or both of the parents. If one stipulates that bearing (and keeping) a child is one of the most profoundly important human acts, then siring a child without intending to support it, or bearing and keeping a child without knowing one can take care of it, constitute an excellent proxy measure of the sort of irresponsibility that is a hallmark of the underclass.

Illegitimacy has been skyrocketing since 1979. I use "skyrocketing" advisedly. This is the graph for the years since World War II ended:

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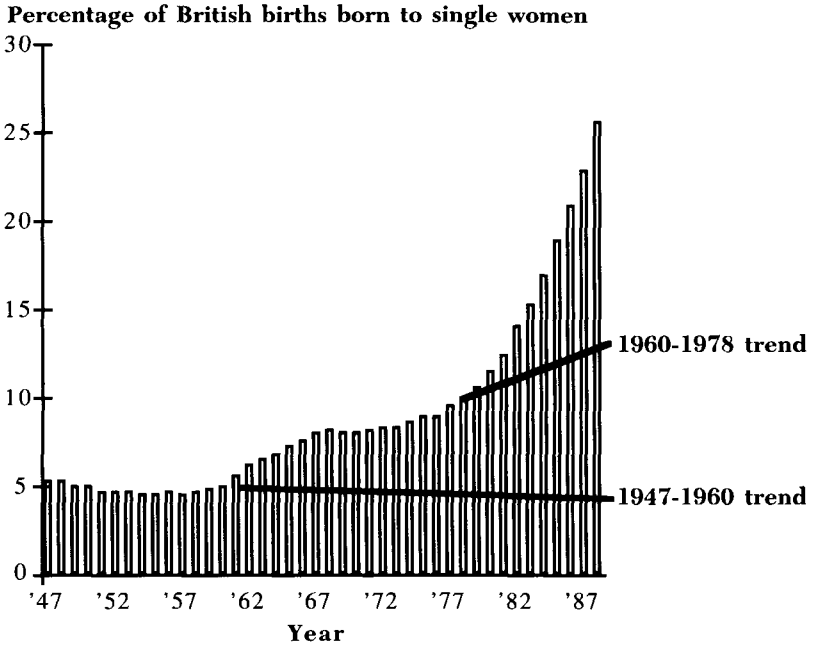

The postwar era divides into three parts. From the end of World War II until 1960, Britain enjoyed a very low and even slightly declining illegitimacy ratio. From 1960 through 1978, the ratio increased, but remained modest by international standards—as late as 1979, Britain's illegitimacy ratio of 10.6 percent was among the lowest rates in the industrialized West. Then, suddenly, during a period when fertility was steady, the illegitimacy ratio began to rise very rapidly—to 14.1 percent by 1982, 18.9 percent by 1985, and finally to 25.6 percent by 1988, thereby catching up with the United States in this unhappy statistic. (The most recent U.S. figures are for 1987, when the ratio stood at 24.5 percent and had been rising by about a percentage point per year.)

The sharp rise is only half of the story. The other and equally important half is that illegitimate births are not scattered evenly among the British population. There is much publicity about the member of the Royal Family who has a child without a husband or the socially prominent young career woman who deliberately decides to have a baby on her own, but these are comparatively rare events. The increase in illegitimate births is strikingly concentrated among the lowest social class.

This is especially easy to document in Britain, where one may fit together the Government Statistical Service's birth data on

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municipal districts with the detailed socioeconomic data from the general census. When one does so for the 169 metropolitan districts and boroughs in England and Wales for which data are available from both sources, the relationship between illegitimacy and social class (using the five-class classification used for many years by the Government Statistical Service) is so obvious that statistical tests become superfluous. Municipal districts with high concentrations of household heads in Class I (professional persons) have illegitimacy ratios in the low teens. Wokingham was lowest as of 1987, with only nine of every hundred children born illegitimate. Municipalities like Nottingham and Southwark, with populations most heavily weighted with Class V household heads (unskilled laborers), have illegitimacy ratios of more than 40 percent.

The statistical tests confirm the relationship. With just two measures—the percentage of people in Class V and the percentage of people who are "economically inactive"—the illegitimacy ratio in a community can usually be predicted within just three percentage points of the true number. Statistically, these two measures of economic status explain 51 percent of the variance—an extremely powerful relationship for just two independent variables. In short, the notion that giving birth to illegitimate babies is a general phenomenon, experienced by young career women and girls from middle-class homes as much as by others, is flatly at odds with the facts. There has been a proportional increase in illegitimate births among all communities, but the prevalence of illegitimate births is drastically higher among the lower-class communities than in the upper class.

The data I have just described are based on municipal districts. The picture worsens when we move down to the neighborhood level, though precise numbers are hard to come by. If one assumes that the relationship of socioeconomic status to illegitimacy that holds between municipalities also holds between socioeconomic classes within municipalities, then a municipality with an overall ratio of 35 percent should be expected to have poor neighborhoods where most babies are illegitimate (just as black inner-city neighborhoods in the United States have much higher ratios than black middle-class neighborhoods).

When I raised these points with British demographers and sociologists, the reaction more often than not was, in effect, "So what?" I found that discussing the issue with British experts was like being in a time warp, hearing in 1989 the same rationaliza-

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tions about illegitimacy that American experts used in the 1970s and early 1980s.

"Children from single-parent households do just as well as children from two-parent households." For example, there is the case of the National Child Development Study (NCDS), a longitudinal British sample that researchers have been following since 1968. The differences between children from one-parent families and two-parent families are due to social and financial circumstances, not to the parental situation, proclaims a set of studies, prepared under the auspices of the National Children's Bureau.

Assessing these conclusions is made difficult by technical problems with the studies' definitions of "single parent" and "two parent" families; for example, a child could be defined as coming from a one-parent family if he had ever been without two parents, even briefly. But the generic problem with such analyses, and these in particular, is that all forms of single parenthood tend to be lumped together, as if it makes no difference whether the mother is a widow, a middle-aged woman divorced after years of marriage, or a girl of twenty who has never married. All are "single parents," and all single-parent situations are supposed to be equal. But in fact, one particular form of single parenthood—illegitimacy—constitutes a special problem for society. Single-parent situations are radically unequal.

The change in the received wisdom on this topic in the U.S. has been remarkable. One example will serve to illustrate. In 1983 a statistic cited everywhere by those who wanted to debunk the reactionaries was that 50 percent of all U.S. welfare mothers were off the welfare rolls within two years. The idea of "welfare dependency" was a myth. Then in 1986 David Ellwood, the scholar whose work had popularized the 50-percent statistic, took a finer-grained look at the same data (the Panel Study of Income Dynamics at the University of Michigan), separating welfare mothers into different categories. The most important characteristic in predicting whether a woman left welfare quickly was her marital status at the time she had the baby. For never-married women, the average number of years on welfare was not the highly touted two years, but 9.3. British social-welfare scholars respond that in their country single mothers exit rapidly, basing their confidence about the 1980s on survey data about single women who had babies from the mid-1930s to the mid-1970s. The magic number once again is said to be two years.

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"It's mainly a black problem." I heard this everywhere, from political clubs in Westminster to the demographics section of a government research office. The statement is correct in this one, very limited sense: blacks born in the West Indies have much higher illegitimacy ratios—about 48 percent of live births in the latest numbers—than all whites. But blacks constitute such a tiny proportion of the British population that their contribution to the overall illegitimacy ratio is minuscule. If there had been no blacks whatsoever in Britain, the overall British illegitimacy ratio of 25.6 percent in 1988 would have dropped by about one percentage point. Blacks are not causing Britain's illegitimacy problem.

"It's not as bad as it looks." In the United States, the line used to be that blacks have extended families, with uncles and grandfathers compensating for the lack of fathers. In Britain, the counterpart to this cheery optimism is that an increasing number of illegitimate births are jointly registered and that an increasing number of such children are born to people who live together at the time of birth. Both joint registration and living together are quickly called evidence of "a stable relationship."

The statements about joint registration and living together are factually correct. Of the 158,500 illegitimate births in England and Wales in 1987, 69 percent were jointly registered. Of those who jointly registered the birth, 70 percent gave the same address, suggesting some kind of ongoing relationship. Both of these figures have increased—in 1961, for example, only 38 percent of illegitimate births were jointly registered, suggesting that the nature of illegitimacy in the United Kingdom has changed dramatically.

British commentators on social policy make much of the cohabitation figures without any apparent basis. Once again, the comparison with the United States is striking: American social scientists never demonstrated empirically, or even tried very hard to demonstrate, that the extended black family was able to compensate for the lack of a married father and mother. In any case, appeals to the extended family became more difficult as the years went on—without marriage, grandfathers and uncles too have become scarce. Ought Britons to assume that jointly registering a birth, or living together at the time of the birth, makes for a stable relationship that is just as good (or nearly as good) as a marriage? I pose it as a question because I don't have a solid empirical answer. But neither did any of the people who kept repeating the joint-registration and living-together numbers so optimistically.

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It may at least be said that the anecdotal evidence on this issue is cause for concern. While in Britain, I visited poor neighborhoods in Birkenhead (across the Mersey from Liverpool) and Easterhouse, a huge council estate (the British label for a public housing project) outside Glasgow, and talked not only with single mothers but also with the remaining two-parent families who are trying to raise their own children in a predominantly single-parent environment. Their stories were remarkably similar to those that a family in a poor neighborhood of Detroit might tell.

The cohabiting couples that they described were not surrogate marriages, but more commonly relationships in which the father may have been living in the house when the child was born, but did not assume a father's responsibility to support or bring up the child. The relationships, moreover, tended to be transient and chaotic, with instances in which children with the same father but different mothers lived within a few doors of each other.

Some of the problems of trying to raise children in such an environment may seem trivial but are painfully poignant. Take, for example, the story of a Birkenhead father who told me about going to his little girl's Christmas play at school. He was the only father there—hardly any of the other children had fathers—and his daughter, embarrassed because she was different, asked him not to come to the school any more. But the problems with the breakdown of the married two-parent family go beyond poignancy.

The central problem is that kids tend to run wild in communities without fathers. The fewer the fathers, the greater the tendency. "Running wild" can mean that young children have no set bedtime. It can mean that they are left alone in the house at night while mummy goes out. It can mean that eighteen-month-old toddlers are allowed to play in the street. It can mean children who treat other children too aggressively. The same Birkenhead father and his wife raised their first daughter as they were raised, to be polite and considerate—and she suffered for it. Put simply, her schoolmates weren't being raised to be polite and considerate—they weren't being "raised" at all in some respects. With their second child, the Birkenhead parents eased up on their requirements for civil behavior, realizing that their children had to be able to defend themselves against threats that the parents hadn't faced when they were children. Their third child is still an infant, and the mother has made a conscious decision. "I won't knock the aggression out of her," she said to me. Then she paused, and added

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angrily, "It's *wrong* to have to decide that."

It is of course true that many families with children have those kinds of problems, not just poor single parents. But this is why the concentration of the underclass into particular neighborhoods is so devastating. A middle-class neighborhood almost certainly has many divorced parents, but the dominant family type is the two-parent family, which remains the visible model for youngsters growing up. Even if one particular youth lacks a father, he lives in a neighborhood in which fathers abound. When the one-parent family becomes the norm and father figures are scarce, the difficulties associated with the single-parent family seem to multiply. One must use "seem" because of the continuing scarcity of systematic investigations. But this is why the British example is so provocative, even on this anecdotal level. One becomes less inclined to assume that the breakdown of the American black family is a black problem fostered by black history.

Crime

Crime is the next place to look for an underclass, for several reasons. First and most obviously, the habitual criminal is the classic member of an underclass, living off mainstream society by preying on it. Habitual criminals, however, are only part of the problem. Once again, the key issue is how a community functions, and crime can devastate a community in two especially important ways: first, to the extent that members of a community are victimized by crime, the community tends to become fragmented; second, to the extent that many people in a community engage in crime as a matter of course, the community's socializing norms change, as different kinds of men are idolized by boys and the standards of morality in general collapse.

Consider first the official crime figures, reported annually for England by the Home Office. As in the case of illegitimacy, I took for granted upon arrival that England had much lower crime rates than the United States. It therefore came as a shock to discover that England and Wales (which I will subsequently refer to as England) have a combined property-crime rate apparently as high, and probably higher, than that of the United States. (I did not compare rates with Scotland and Northern Ireland, which are reported separately.) I say "apparently," because Britain and the United States define property crime somewhat differently. But burglaries, which are similarly defined in both countries, provide

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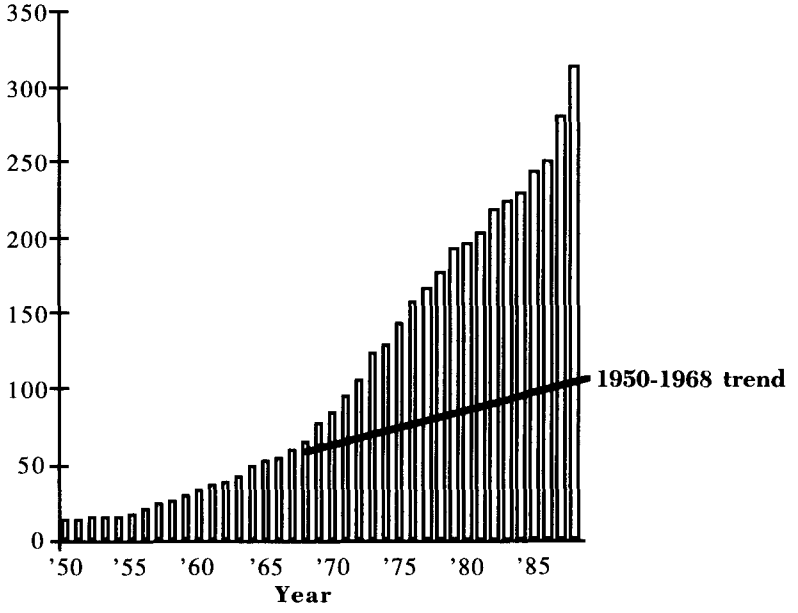
an example. In 1988 England had 1,623 reported burglaries per 100,000 inhabitants, compared with 1,309 in the United States. Adjusting for the trans-Atlantic differences in definitions, England also appears to have higher rates of motor-vehicle theft than the United States. The rates for other kinds of theft seem to be roughly the same. I wasn't the only one who was surprised at these comparisons. If you want to attract startled and incredulous attention in the U.K., mention casually that England has a higher property-crime rate than that notorious crime center of the Western world, the United States; no one will believe you.

The understandable reason why no one believes you is that *violent* crime in England remains much less frequent than in the United States, and it is violent crime, not property crime, that engenders most of the anxiety and anger about crime. Thus, in all of 1988, England recorded just 624 homicides. The United States averaged that many every eleven days—20,675 for the year.

That's the good news for Britain. The bad news is that the violent-crime rate in England has been rising very rapidly, as shown below:

Violent crimes per 100,000 inhabitants, England and Wales



The size of the increase isn't as bad as it first looks, because England began with such a small initial rate. The rise is steep

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nonetheless, and it became much steeper in about 1968. Compare the gradual increase from 1950-1968 with what happened subsequently. By 1988, England had 314 "offences of violence against the person" reported per 100,000 people. The really bad news is that England has been experiencing this increase despite demographic trends that should have led to a decrease. This point is important enough to explain at more length.

The most frequent offenders, the ones who puff up the violent-crime statistics, are males in the last half of their teens. As males get older, they tend to become more civilized. In England, the number of males in this troublesome age group increased throughout the 1970s, and this fact was widely used to explain the crime increase. But the number of English males aged fifteen to nineteen hit its peak in 1982 and has subsequently decreased both as a percentage of the population and in raw numbers (by a little more than 11 percent in both cases). Despite the reduction in the number of males in the highest-offending age group after 1982, the violent-crime rate in England from 1982 to 1988 rose by 43 percent.

"The increase is a statistical artifact," I was frequently told—another echo of the American dialogue in the 1960s and 1970s. One version of this argument is that crime just seems to be higher because more crimes are being reported to the police than before (because of greater access to telephones, for example, or because of the greater prevalence of insurance). This seems unlikely to do much better as an explanation than it did in the United States, where changes in reporting work both ways. Rape and sexual assault are more likely to be reported now, because of changes in public attitudes and judicial procedures regarding those crimes. But an anonymous purse-snatch is less likely to be reported, because the victim doesn't think it will do any good, and the drop-off in reporting for this reason is worst in the neighborhoods where crime is perceived to be out of control.

The most obviously spurious version of the "crime isn't really getting worse" argument uses rates of increase rather than the magnitude of increases to make the case. The best example in Britain is the argument that public concern about muggings in the early 1970s was simply an effort to scapegoat young blacks, and resulted in a "moral panic." Sociologist Stuart Hall and his colleagues made this case at some length in 1978 in a book entitled *Policing the Crisis,* in which, among other things, they argued with

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a straight face that because the rate of increase in violent crimes was decreasing, the public's concern was unwarranted. Applying their logic to recent trends, for example, the increase in violent crime in the 1950s was worse than the increase in the 1980s, because violent crime rose by 88 percent from 1950-1958, whereas it rose by only 60 percent from 1980-1988. The problem with this line of reasoning is apparent when one takes another look at the graph of violent crime shown above. From 1950-1958, the violent-crime rate increased by thirteen crimes per 100,000 inhabitants. From 1980-1988, it increased by 118 crimes per 100,000 inhabitants.

The denial by intellectuals that crime really has been getting worse spills over into denial that poor communities are more violent places than affluent communities. To the people who live in poor communities, this doesn't make much sense. One man in a poor, high-crime community told me about his experience in an open university where he had once taken a sociology course about poverty. The professor kept talking about this "nice little world that the poor live in," the man remembered. The professor scoffed at the reactionary myth that poor communities are violent places. To the man who lived in such a community, the professor was talking "bloody drivel." A few weeks later, a class exercise called for the students to canvass a poor neighborhood. The professor went along, but apparently he too suspected that some of his pronouncements were bloody drivel—he cautiously stayed in his car and declined to knock on doors himself. And that raises the most interesting question regarding the view that crime has not risen, or that crime is not especially a problem in lower-class communities: Do any of the British intellectuals who hold this view actually believe it, to the extent that they take no more precautions walking in a slum neighborhood than they do in a middle-class suburb?

In the United States, the arguments that crime isn't really getting worse have virtually disappeared, and an examination of the English crime statistics leads me to expect that the same thing will happen in Britain. The changes are too big to be explained away. If Britain follows the American model, after all the statistical artifacts are taken into account and debated it will be decided that England is indeed becoming more dangerous; that this unhappy process is not occurring everywhere, but disproportionately in particular types of neighborhoods; and that those neighborhoods turn out to be the ones in which an underclass is taking over. Reality will once again force theory to its knees.

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Voluntary unemployment

If illegitimate births are the leading indicator of an underclass and violent crime a proxy measure of its development, the definitive proof that an underclass has arrived is that large numbers of young, healthy, low-income males choose not to take jobs. This decrease in labor-force participation is the most elusive of the trends in the growth of the British underclass.

The main barrier to understanding what's going on is the high unemployment of the 1980s. The official statistics distinguish between "unemployed" and "economically inactive," but Britain's unemployment figures (like those in the U.S.) include an unknown but probably considerable number of people who manage to qualify for the benefit even if in reality very few job opportunities would tempt them to work. On the other side of the ledger, over a prolonged period of high unemployment the "economically inactive" category includes men who would like to work but have given up. To make matters still more complicated, there is the "black economy" to consider, whereby people who are listed as "economically inactive" are really working for cash, but not reporting their income to the authorities. So we are looking through a glass darkly, and I have more questions than answers.

The simple relationship of economic inactivity to social class is strong, just as it was for illegitimacy. According to the 1981 census data, the municipal districts with high proportions of Class V household heads also tend to have the highest levels of "economically inactive" persons of working age. This is another way of saying that you will find many more working-aged people who are neither working nor looking for work in the slums than in the suburbs. Some of them are undoubtedly discouraged workers, but two questions—applying specifically to lower-class young men—need to be asked and answered with much more data than are currently available.

First, after taking into account Britain's unemployment problems when the 1981 census was taken, were the levels of economic inactivity among young males consistent with the behavior of their older brothers and fathers during earlier periods? Or were young males dropping out more quickly and more often than in the past?

Second, Britain has for the last few years been conducting a natural experiment, with an economic boom in the South and continued high unemployment in the North. If lack of jobs is the

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problem, then presumably economic inactivity among lower-class healthy young males in the South has plummeted to insignificant levels. Has it?

The story that I heard from a variety of people in Birkenhead and Easterhouse was that the youths who came of age in the late 1970s risk becoming a lost generation. My sources did indeed ascribe the problem to the surge in unemployment at the end of the 1970s. "They came out of school at the wrong time," as one older resident of Easterhouse put it, and have never in their lives held a real job. They are now in their late twenties. As economic times improve, they are competing for entry-level jobs against people ten years younger, whom employers prefer to hire. But it's not just that, he added. "They've lost the picture of what they're going to be doing," he said. When he was growing up, he could see himself in his father's job. Not these young men.

This generation gap was portrayed to me as being only a few years wide. A man from Birkenhead in his early thirties—who had worked steadily after leaving school until he lost his job as an assembly-line worker in 1979—recalled how humiliated and desperate to work he had remained, even as his unemployment stretched from months into years. He—and the others in their thirties, forties, or fifties—were the ones showing up at six in the morning when jobs were advertised. They were the ones who sought jobs even if they paid less than the benefit rate. "The only income I wanted was enough to be free of the bloody benefit system," he said. "It was like a rope around my neck." The phrase for being on benefit that some of them used, being "on the suck," says a great deal about how little they like their situation. In passing, it should be noted that this way of looking at things is no small asset to Britain. In many inner cities of the U.S., the slang for robbing someone is "getting paid." Compare that inversion of values with the values implied by "on the suck." Britain in 1989 still has resources that seem to have been depleted in urban America.

But the same men who talk this way often have little in common with their sons and younger brothers. Talking to boys in their late teens and early twenties about jobs, I heard nothing about the importance of work as a source of self-respect and no talk of just wanting enough income to be free of the benefit system. To make a decent living, a youth of twenty-one explained to me, you need £200 a week—after taxes. He would accept less if it was all he could get. But he conveyed clearly that he would feel exploited. As

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for the government's employment, the Youth Training Scheme, that's "slave labor." Why, another young man asked me indignantly, should he and his friends be deprived of their right to full unemployment benefits just because they're not yet eighteen? It sounded strange to my ears—a "right" to unemployment benefits for a school-age minor who's never held a job. But there is no question in their minds that that's exactly what the unemployment benefit is: a right, in every sense of the word. The boys did not mention what they considered to be their part of the bargain. "I was brought up thinking work is something you are morally obliged to do," as one older man put it. With the younger generation, he said, "that culture isn't going to be there at all." The older men had anecdotes to back up these observations. During the extensive housing refurbishment now going on at Easterhouse, for example, the contractors are obliged to hire local youths for unskilled labor as part of a work-experience scheme. Thirty Easterhouse young men applied for a recent set of openings. Thirteen were accepted. Ten actually came to work the first day. By the end of the first week, only one was still showing up.

My hypothesis—the evidence is too fragmentary to call it more than that—is that Britain is experiencing a generation gap by class. Well-educated young people from affluent homes are working in larger proportions and for longer hours than ever. The attitudes and behavior of the middle-aged working class haven't changed much. The change is concentrated among lower-class young men in their teens and twenties. It is not a huge change. I am not suggesting that a third or a quarter or even a fifth of lower-class young people are lounging about, indifferent to work. But an underclass doesn't have to be huge to become a problem.

That problem is remarkably difficult to fix. It seems simple—just make decent-paying jobs available. That's what we used to think in the United States, and we tried nearly everything to prove it—training programs, guaranteed jobs, special "socialization" programs that taught not only job skills but also "work readiness skills" like getting to work on time, "buddy" systems whereby an experienced older man tried to ease a trainee into the world of work. Controlled experiments show that these strategies have consistently had little effect at best, no effect most commonly, and occasionally negative effects. Nor did the expanding economy of the 1980s do much good—the percentage of American black male youths out of the labor force was the same in 1989 as it had been in 1979, and

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it is still far above the rate for white male youths. The lesson that Britain is just beginning to learn is that it is irretrievably disastrous for young men to grow up without being socialized into the world of work. By remaining out of the work force during the crucial formative years, young men aren't just losing a few years of job experience. They are missing out on the time in which they need to be acquiring the skills and the networks of friends and experiences that enable them to establish a place for themselves—not just a place for themselves in the workplace, but a vantage point from which they can make sense of themselves and their lives. Furthermore, when large numbers of young men don't work, the communities around them break down, just as they break down when large numbers of young unmarried women have babies. The two phenomena are intimately related, as George Gilder has argued most eloquently.

Losing ground in Britain

How big is the British underclass? It all depends on how one defines its membership; the size of the underclass can be made to look huge or insignificant, depending on what one wants the answer to be. It seems safe to conclude, however, that the underclass now poses a much smaller problem for Britain than for the U.S. If the crime and illegitimacy trends in Britain leveled off where they are now and the South's tight labor market spread to the North, Britain would continue to have an underclass but not one that would force major reform. Britain could continue to treat social policy as it has since the Beveridge Report, looking for ways to fine-tune social-welfare and criminal-justice systems that most Britons think work pretty well.

The question facing Britain is the same one facing the United States: How contagious is this disease? Is it going to spread indefinitely, or will it be self-containing? Imagine, for example, what Britain will be like ten years from now if the trends continue unabated. The results seem preposterous. If violent crime follows the steepening trendline it has displayed since 1969, by 1999 the British violent-crime rate will be double the rate that already is a source of such concern. In the case of illegitimacy, it is impossible to assume that the exponential curve in the trendline since 1970 will continue to steepen—if it were to do so, all British births would be illegitimate by the end of the century. But even if we assume more conservatively that the trend of the last ten years will

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continue linearly, more than 40 percent of births will be to single women by 1999. Because these results are so obviously preposterous, the question arises: Why might these projections be too high? Why may we reasonably expect that recent trends are caused by abnormal forces that are about to fade?

Here we reach questions about causation that are most controversial. In his recently published book, Labour MP Frank Field blames Mrs. Thatcher for the emergence of a British underclass. Field claims that the increased inequalities produced by rewarding the rich and punishing the poor have generated an underclass; change the policies, Field contends, and the underclass will diminish.

My interpretation and the interpretations of the left do not so much compete as pass in the night. As far as I can tell, inequality in general and Mrs. Thatcher's policies in particular hardly enter in. The slope in the graph in violent crime steepened most conspicuously in the late 1960s, long before Mrs. Thatcher came to power. The acceleration in the illegitimacy ratio was beginning in 1979, and was nearly as steep as it would ever get by Mrs. Thatcher's first full year in office. It is hard to credit that Mrs. Thatcher's influence on fertility behavior among single young women occurred within days of her election.

In any case, let me propose a more radical reason why the Thatcher government's policies have little to do with the development of an underclass: the relevant policies haven't changed that much under Mrs. Thatcher. Despite the many dramatic changes in Britain in other spheres, the culprits behind the trends that I have described have been largely unaffected.

The hypothesis I bring to interpreting events in Britain is directly analogous to the one I used in analyzing the American situation several years ago in *Losing Ground*. In talking about the underclass, we are really talking about phenomena that relate directly or indirectly to the behavior of people in their late teens and early twenties. Young people—not just poor young people, but all young people—try to make sense of the world around them. They behave in ways that reflect what they observe. In the 1960s and 1970s, social policy in Britain fundamentally changed what makes sense. The changes did not affect the mature as much as the young. They affected the affluent hardly at all. But the rules of the game did change fundamentally for low-income young people, changing behavior in their wake.

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"Making sense of the world around them" has to be understood in terms of the judgment and the time frame of young people. People in their late teens and early twenties can be terribly foolish and short-sighted. Late adolescence is a critical time of life for shaping the future, and unfortunately also a time during which all of us—not just blacks and the poor—are prone to do things that can be self-destructive. Unlike middle-class youths, inner-city youngsters are likely to lack not just money, but also the education, the socialization to longer-term thinking, and the adult oversight that together would manage to rein them in.

In the U.S. context, the rules of the game changed during a reform period that stretched from the mid-1960s to the mid-1970s, and they changed in every sphere—education, criminal justice, and welfare; through legislation, court decisions, and administrative reforms; at the federal level and at the state level. What makes the British case intriguing is that the changes in intellectual fashion followed the same time schedule as in the United States, but the policy changes did not. Policy toward crime changed course during the late 1960s, whereas the most significant changes in policy toward single women with children occurred in the last half of the 1970s.

I begin with crime, assuming this common-sense view of the situation: if a criminal's chances of being punished go down, crime goes up. In every respect—the chances of getting caught, the chances of being found guilty, and the chances of going to prison—crime has become safer in Britain throughout the postwar period, and most dramatically safer since 1960.

The landmark legislation was the Criminal Justice Act of 1967, implemented in 1968, which for the first time introduced parole to Britain, mandated suspension of all sentences of less than six months, and in a variety of other ways legislated the same philosophy of criminal justice—less use of prisons, less talk of just deserts, more therapy, the advent of "minimal intervention"—that had been affecting United States criminal-justice policy in less cohesive and integrated ways throughout the 1960s.

Without trying to establish causal links between legislation and behavior here, I will simply review some of the salient trends that a thoughtful criminal, or prospective criminal, might reasonably have noticed. "Clear-up rates" are one example. ("Clearing up" a crime in Britain means that the police think they know who did it, regardless of what happens in the courts). With a few crimes such

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as homicide, the clear-up rate has remained high and unchanged. But for a crime such as robbery, the clear-up rate, which had risen during the 1950s, fell from 61 percent in 1960 to 42 percent in 1970, dropped again to 29 percent by 1980, and dropped still further to 21 percent in 1987—an extremely large change. Reductions for other crimes have been smaller but significant.

If clear-up rates had been the only thing to change, the overall effect on the "safeness" of crime would have been modest. But while clear-up rates were falling, so was the likelihood of conviction after apprehension. When the Criminal Justice Act was passed, half of all cleared-up offenses resulted in a conviction. A decade later, in 1977, the proportion had fallen to 43 percent; a decade after that, to 30 percent.

Perhaps most importantly, the penalties imposed upon conviction changed. This last topic is a source of great misunderstanding, for prison is the most obvious form of punishment and prisons are commonly thought to be incapable of reducing crime. Partly, the misunderstanding arises from a confusion between the incapacity of prisons to rehabilitate offenders (which is reasonably well-documented) and their capacity to deter potential offenders (which is not well-documented). Strict and consistent use of prisons, as once characterized Britain, can at the same time be miserably inefficient at rehabilitating criminals and spectacularly effective in deterring people from becoming criminals in the first place.

Another misunderstanding arises from the tendency to think in terms of the raw number of people in prison. As the number of people in prison rises but crime also continues to rise, the conclusion is loudly proclaimed that incarceration doesn't work. But if one is thinking in terms of risks, the obvious measure is not the number of people in prison, but rather the chances of going to prison if one commits a crime. That figure has plummeted, not only since the reform of 1967 but since the end of World War II. Prison sentences as a proportion of reported crimes fell by almost half from 1950 to 1967, then fell by another 30 percent in the single year after the reform was implemented, and have remained comparatively steady (though still falling slowly) since then.

But comparatively few offenders were sent to prison even in the tough old days. Thus a full analysis of the trends in punishment would consider fines as well as prison sentences, the use of cautions and suspended sentences, the effects of the parole system on actual time served, the delay between arrest and disposition, and a

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host of other factors that affect how a person arrested for a given crime in 1960 was treated differently from someone arrested for the same offense today. It seems evident from a variety of descriptions in the press and essays on the criminal-justice system that the use of penalties has fallen in every dimension—not just in severity, but in swiftness and certainty as well.

Even using simple measures, recent trends in penalties are at odds with the Thatcher government's reputation for being punitive and anti-crime. The actual end products of the criminal-justice system haven't corresponded to the rhetoric. From 1982 to 1987, even as crime continued to rise, the number of convictions and prison sentences dropped—not just as a proportion of crimes, but in raw numbers. In 1982, 3.1 million indictable offenses were known to the police, and 475,000 people were found guilty of them; of these, 50,300 received unsuspended prison sentences. In 1987, 3.7 million indictable offenses were known to the police (up 19 percent), 386,000 people were found guilty of them (down 19 percent); of these, 41,700 received unsuspended prison sentences (down 17 percent). Can these figures be the product of a get-tough policy?

Because crime statistics are so subject to qualifications and punishment itself is debated so passionately, let me make clear what I am and am not saying. I'm not claiming that the official statistics are perfect, or that British law enforcement has gotten lax, or that one must ignore the complicated social forces associated with increases in crime. I do claim that committing a crime is much safer than it used to be, and that this trend still continues. That being the case, why shouldn't crime continue to increase? In fact, why shouldn't the slope of the increase in the graph of violent crime continue just as steeply for the next ten years? It might flatten out, but it is difficult to think of a good reason why.

Similarly, why shouldn't illegitimacy continue to increase? There is an obvious explanation for why single young women get pregnant: sex is fun and babies are endearing. Nothing could be more natural than for young men and women to want to have sex, and nothing could be more natural than for a young woman to want a baby. A better question than asking why single young women get pregnant is to ask why they don't. The obvious answer is that in the past it was very punishing for a single woman to have a baby. (If that seems too negative, then one may say that a young single woman who had a baby had to forgo many social and economic rewards. It amounts to the same thing.)

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One type of punishment was social stigma (or one type of reward for virtue was social acceptance), and without doubt the sexual revolution of the 1960s markedly reduced the stigma. Leaving aside why this happened, it is reasonable to expect that illegitimacy would have risen in the 1960s even if social policy had remained unchanged. But in addition to stigma, until recently severe economic punishment awaited single mothers. For a poor single woman, supporting a baby alone was next to impossible. Having to do so was something to be actively avoided.

At this juncture, we come to the benefit system, another source of great controversy and confusion in Britain as in America. There is no evidence anywhere, including Britain, that large numbers of young women get pregnant so that they can get on welfare—or, in the British phrase, on benefit. (Sometimes they have a second child specifically so that they can remain on benefit, but that constitutes a comparatively minor part of the problem.) Rather, the problem in providing money to single women who have babies is that the income enables many young women to do something that they would naturally like to do. Such benefits don't have much effect on affluent women—the benefit rate is so far below what they consider their needs that they are not in any way "enabled" to have babies by the level of support being provided. For poor women, however, the benefit level can be quite salient in deciding whether having a baby is feasible. And the simple economic feasibility of raising a baby without the support of a father changed fundamentally during the 1970s.

In 1955, for example, an unmarried, unemployed mother with a single child under five had to get along on less than £22 a week, miserably little (all figures will be in 1987 purchasing power). It was almost impossible to survive on such a budget. Unless the mother had some other source of support, the only realistic option was putting the child up for adoption or into the care of the local authority. Having an illegitimate baby was brutally punishing if you were poor. (It was also punishing if you were rich, but for different reasons.) During the 1960s, the benefit grew, reaching about £36 by 1970—still an extremely slender stipend, though conceivably enough to get by on.

During the 1970s, the size of the benefit for single women began to rise more rapidly, increasing more than a third in purchasing power from 1970 to 1976 and reaching a high of £52 in 1980. Meanwhile, in 1977, the Homeless Persons Act was passed.

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Before, a single mother had to wait in queue for housing. The act stipulated that pregnant women and single mothers were to get some sort of housing immediately—and to go to the top of the queue for council housing—if they couldn't live with their parents and were otherwise homeless. Not surprisingly, large numbers of young women with babies suddenly found that they were unable to live with their parents.

The effect of all these changes was not continuous. The right analogy for understanding the process is not a young woman with a calculator, following the latest quotations on benefits and deciding whether to change her fertility behavior. Rather, the analogy is the way a pot comes to boil. Thus, for example, I doubt that the Homeless Persons Act induced many young women to have babies so that they could get their own flats. Rather, the benefit increases and the Homeless Persons Act were steps in a quiet, cumulative process whereby having a baby as a single mother went from "extremely punishing" to "not so bad." By 1977 a poor young woman looking at the world around her could see that single mothers in their neighborhoods were getting along, whereas a similar young woman in the early 1960s would have looked around and concluded that being a single mother was to be avoided at all costs. The combination of cash and housing did not offer enough to appeal to the middle class, but it provided low-income young women with a standard of living no worse and often better than they endured with their parents. Meanwhile, sex was as much fun as ever and babies were as endearing as ever. By the end of 1978, the illegitimacy ratio had begun the rapid rise that has continued throughout the eighties. A series of changes in the benefit rates and collateral housing benefits lifted a large portion of low-income young women above the threshold where having and keeping a baby became economically feasible.

Following this logic, it doesn't make any difference if the benefit level stops getting higher, or even if it diminishes somewhat. As long as the benefit level is well above the threshold, the dynamics of social incentives will continue to work in favor of illegitimacy, as the advantages of legal marriage become less clear and its disadvantages more obvious. For men, the pressures to marry will continue to diminish. Given all this, I cannot see why the illegitimacy ratio would level off.

I have touched on only a few of the changes in British social policy that relate to the development of an underclass. State edu-

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cation was a lively topic of conversation among people with whom I talked everywhere; the stories sounded depressingly like the problems with urban public education in the United States. Drug abuse in Britain is reported to be increasing significantly. These developments all interact. When one leaves school without any job skills, barely literate, the job alternatives to crime or the dole are not attractive. Young men who are subsisting on crime or the dole are not likely to be trustworthy providers, which makes having a baby without a husband seem more plausible. If a young man's girlfriend doesn't need him to help support the baby, it makes less sense for him to plug away at a menial job and more sense to have some fun—which in turn makes hustling and crime more attractive, marriage less attractive. Without a job or family to give life meaning, drugs become that much more valuable as a means of distraction. The cost of drugs makes crime the only feasible way to make enough money to pay for them. The interconnections go on endlessly, and they help to explain why community norms lose their force, why the role of older adults in the community diminishes, why communal bonds loosen.

A dearth of solutions

The British in both parties still talk as if modest, incremental changes in one corner of the system can have an effect. The Conservatives continue to profess high hopes for youth employment programs, get-tough-on-crime reforms, and for the prospect of falling unemployment in the North. Labour seems genuinely to believe that Thatcherism is to blame and that a Labour government will bring back the good old days. And it would be foolhardy to assume too quickly that all of these voices are wrong. Britain is not the United States, and the most certain prediction is that British experience will be different from ours. At the close of this brief tour of several huge topics, let me be the first to acknowledge that I have skipped over complications and nuances and surely missed special British conditions of which I am ignorant.

Still, so much has been the same so far. In both countries, the same humane impulses and the same intellectual fashions drove reforms in social policy. The attempts to explain away the consequences have been similar, with British intellectuals in the 1980s—just like American intellectuals in the 1970s—saying that the problems aren't really as bad as they seem. And to the extent that the United States has had more experience than Britain with a

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growing underclass, the sad lesson we have to offer is our powerlessness to do much about an underclass once it exists. No matter how much money we spend on our cleverest social interventions, we don't know how to make teenagers who have grown up in an underclass culture into steady workers, we don't know how to make up for the lack of good parents, and, most critically, we don't know how to make up for the lack of communities that reward responsibility and stigmatize irresponsibility. Let me emphasize the words: *We do not know how.* It's not money we lack, but the capability to social-engineer our way out of this situation. Unfortunately, the impression persists that our social engineering simply hasn't been clever enough, and that we must strive to become more clever.

Another possibility was voiced first by another American visitor to Britain, Benjamin Franklin. "There is no country in the world where so many provisions are established for [the poor]," he wrote in 1766 about Britain to a British audience. "[S]o many hospitals to receive them when they are sick and lame, founded and maintained by voluntary charities; so many almshouses for the aged of both sexes, together with a solemn law made by the rich to subject their estates to a heavy tax for the support of the poor.... In short, you offered a premium for the encouragement of idleness, and you should not now wonder that it has had its effects in the increase of poverty."

We cannot say things so baldly in the last years of the twentieth century, but Franklin's analysis is not far from the mark. Some years ago I wrote for an American audience that the real contest about social policy is not between people who want to cut budgets and people who want to help. Watching Britain replay our history, I can do no better than repeat the same conclusion: when meaningful reforms finally do occur, they will happen not because stingy people have won, but because generous people have stopped kidding themselves.

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Antihumanism in the humanities

JOEL SCHWARTZ

OVER FORTY years ago, C.S. Lewis wrote *The Abolition of Man*, a brief study of education in which he criticized the "progressive" belief that the inculcation of traditional moral beliefs had become outmoded. Lewis reproached scientists—specifically, eugenicists and behavioral psychologists—for their unexamined faith that they could beneficently remake mankind. Ironically, he suggested, the scientists' supposed capacity to conquer nature and to create a brave new world would result in man's destruction; the prideful celebration of the omnipotence of (some) men would instead reveal only the impotence of all other men. To be truly human, Lewis contended, men and women must recognize what he called the *Tao*—moral principles that can apply to everyone and that can therefore provide a standard by which tyranny can be judged illegitimate.

An important and recently translated French philosophical work, Luc Ferry and Alain Renaut's *French Philosophy of the Sixties: An Essay on Antihumanism*, suggests that the abolition of

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man now confronts us again. Today, however, its perpetrators are not Lewis's hyperrationalistic scientists, blind to the consequences of their actions and supremely confident that the new-found power of their reason has shown the obsolescence of the moral judgments of the past. Instead, and ironically, Ferry and Renaut demonstrate that the abolition of man today is quite knowingly advocated by "humanists"—irrationalist teachers of the humanities who proclaim what they have called "the death of man," by which they mean the impotence of human reason and the impossibility of universal moral judgments.

Ferry and Renaut lucidly and coherently lay out the weaknesses and internal contradictions of the propositions of a number of French intellectuals—most prominently Michel Foucault, Jacques Derrida, and Jacques Lacan—who have had an enormous impact upon American professors of literature, philosophy, history, law, and the social sciences generally. Ferry and Renaut's concept of antihumanism is important because it focuses squarely on the central defect of the schools of thought that they examine. The most crucial failing of these schools is not their stylistic difficulty or their fondness for jargon, but rather their vision of humanity—a vision that explicitly rejects the very possibility of truth, morality, and rationality.

Because the vision put forth by Foucault, Derrida, and Lacan is so dark, we have to wonder about the source of their popularity. Why are American (or, for that matter, any other) intellectuals drawn to systems of thought that altogether denigrate human capacities? An additional puzzle presents itself, in that the antihumanist systems of thought appeal to academics who almost without exception would place themselves on the political left. The left, after all, has traditionally considered itself the "party of humanity"; thus it has criticized society for dehumanizing the individuals who compose it, and specifically for preventing the poor and underprivileged from achieving the mental and moral excellence that is potentially theirs. In that spirit, the left has striven for the liberation of mankind, to be achieved through the creation of a truly universal society in which the human dignity of all would be recognized. The irrationalist thinking that appeals to today's academic left, however, treats the ideas of universality, truth, and human excellence as so many bad jokes. Remarkably, the irrationalist left takes pride in denying to all mankind what an earlier left had criticized society for denying only to the poor.

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No truth, no consequences

To get a better sense of the phenomenon of antihumanism, we can usefully consider the thought of Jacques Derrida, who has had the greatest influence upon the American academy of the thinkers discussed by Ferry and Renaut. Derrida's influence is in part attributable to his regular presence in American universities. He divides his time between Paris and America; having had regular visiting appointments at Johns Hopkins and Yale since 1972, Derrida now spends part of every academic year as visiting professor at the University of California at Irvine. Derrida is a prolific author; he has written more than twenty books in French, virtually all of which have been translated into English. He is the guiding intellectual force behind what has been called the "Yale school" of literary criticism, which has spread far beyond Yale. In fact, an article in the *New York Times Magazine* claimed a few years ago that Derrida's disciples "have evidently conquered the field" of literary criticism.

Derrida is best known as the leading exponent of "deconstruction," an approach to the reading of literary and philosophical works. While true as far as it goes, this description is misleading, because it reduces deconstruction to the status of a method, neglecting its substantive basis. If deconstruction is understood only as a perverse though perhaps ingenious interpretative theory, it can seem to be academic in the worse sense of the word—that is, relevant only to the academic reading of books, not to the genuinely important concerns of real life as led by real human beings who are not professors.

In fact, Derrida's technique of reading derives from his vision of man's place in the world, and of the way in which man makes sense—or, more precisely, nonsense—of the world. Approaching deconstruction in this way—as a practical teaching about man's place in the world—has the merit of according with Derrida's self-understanding, as expressed in *The Post Card*:[†] "Deconstruction, I have often had to insist, is not a discursive or theoretical affair, but a practico-political one." (Whether it is consistent for Derrida to

[†]Except where otherwise indicated, all quotations of Derrida are taken from *Of Grammatology* and from "*Différance*" and "Structure, Sign and Play in the Discourse of the Human Sciences," which appear in *Margins of Philosophy* and *Writing and Difference*, respectively. I am grateful to Catherine Zuckert for calling my attention to the quotations from *The Post Card* and from Derrida's 1988 *Critical Inquiry* article "Like the Sound of the Sea Deep within a Shell: Paul de Man's War."

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appeal to his own intention or "authorial self-understanding"—since he rejects that precept of traditional literary interpretation—is a question that we can ignore for the moment.)

We can come to grips with the practical implications of deconstruction by returning to Lewis's *Abolition of Man*, which included a discussion of literary theory. The book began by examining a composition textbook designed for British elementary-school students; Lewis criticized its authors' insistence on the subjectivity of all evaluations. The text's authors claimed that nothing is objectively sublime; all that we can correctly say is that we feel sublime in the presence of certain objects. "This confusion," Lewis quoted the authors, "is continually present in language as we use it. We appear to be saying something very important about something: and actually we are only saying something about our own feelings."

Noting that this view "is a philosophical and not a literary position," Lewis called its validity into question: "Until quite recent times all teachers and even all men believed the universe to be such that certain emotional reactions on our part could be either congruous or incongruous to it." There was a universal consensus, in other words, that accepted "the doctrine of objective value, the belief that certain attitudes are really true, and others really false, to the kind of thing the universe is and the kinds of things we are."

Derrida, however, greatly radicalizes the position of the textbook authors. He agrees that we cannot meaningfully discuss the objective world; he goes beyond them by attacking even subjectivity, the capacity to "say [] something about our own feelings." We cannot truly describe either the world or ourselves. Derrida understands his novelty to lie in his complete rejection of the search for truth, however understood, that had guided philosophers at least from Plato until Heidegger. He points to what he calls the "historical closure" of the epoch that believed in signs (i.e., believed that spoken or written words are "signifiers" that can accurately reflect the external reality that they signify). Signs are not "preceded by a truth." The belief in "presence," the truth to which discourse was erroneously thought to need to correspond, must be rejected; and the modern belief in "self-presence" (the belief in subjective consciousness as a possible source of truth or ground for moral action) is no less questionable than the Judeo-Christian and classical beliefs in God and nature.

What is most distinctive about Derrida, however, is not his belief that truth is unattainable; instead it is the cheerful attitude with

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which he proclaims the belief. His is not the voice of Jonah announcing the imminence of doom, but that of the angel bringing the good news. Derrida contends that our supposed inability to arrive at any sort of truth that might ground human reason or moral action is no calamity; instead it is a liberation from the "logocentric repression" under which, he thinks, we previously suffered. Others may have thought that "the truth will make you free"; Derrida contends that only the absence or impossibility of truth can liberate.

Of all his predecessors, Derrida claims that it was another irrationalist, Friedrich Nietzsche, who came closest to understanding the unattainability of truth and the irrelevance of the quest for it: "Nietzsche, far from remaining *simply ... within* metaphysics, contributed a great deal to the liberation of the signifier from its dependence or derivation with respect to the logos and the related concept of truth or the primary signified [Derrida's italics]."

This claim is true so far as it goes; in Nietzsche's considerably clearer words, "The falseness of a judgment is for us not necessarily an objection." But when Nietzsche rejected truth as the criterion, he substituted another in its place: "The question is to what extent [the judgment] is life-promoting, life-preserving, species-preserving, perhaps even species-cultivating." Whatever its faults, Nietzschean philosophy is passionately concerned with the status of humanity, wholeheartedly devoted to promoting a version (however controversial) of human excellence. For Nietzsche, the unattainability of truth was a deeply ambiguous phenomenon: it could lead to an unprecedented elevation of mankind, if we learned to create our own "truths"; alternatively, its consequences could be unimaginably disastrous, as human lives were rendered trivial by their nihilistic purposelessness. Derrida, however, ignores these consequences; he is completely blind to the dangers of nihilism that Nietzsche so rightly foresaw. Instead, Derrida heedlessly celebrates the trivialization of human life that Nietzsche fearfully anticipated; because this is so, Derrida represents not a radical cure for whatever ills may beset humanity, but a radicalized, exaggerated version of the ills themselves.

Failing to communicate

There is certainly nothing wrong with Derrida's arguing that human reason is severely limited; it is obvious that many great philosophers have taken that position. There is, however, some-

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thing deeply wrong with his complacent refusal to find anything problematic in the radical limitations on human communication that follow from his analysis. To argue as Derrida does that language defeats human intentions, yet to be untroubled by that conclusion, is to contradict oneself as well as to trivialize the human condition.

Derrida's chief concern is with language, which he presents as an inherently fluid and unstable medium. Rather than controlling language, we are largely controlled by it. "The subject ... always say[s] ... more, less, or something other than what he *would mean* [Derrida's italics]." In part this is because we cannot use language to describe an external reality that transcends language: "[R]eading ... cannot legitimately transgress the text toward something other than it, toward a referent (a reality that is metaphysical, historical, psychobiographical, etc.) or toward a signified outside the text whose content could take place, could have taken place outside of language." Language does not enable us to comprehend a reality beyond itself; signs do not point to a signified truth. Language as understood by Derrida is remarkably like Oakland as understood by Gertrude Stein: there's no there there.

In other respects, however, Derrida goes far beyond Gertrude Stein. He rejects the import of her other well-known dictum, "A rose is a rose is a rose." Derrida denies this because he denies self-identity; otherness or self-contradiction is built into everything. This is the meaning of a central Derridean term, *différance*, which indicates that

> [t]he signified concept is never present in and of itself, in a sufficient presence that would refer only to itself.... Every concept is inscribed in a chain or in a system within which it refers to the other, to other concepts, by means of the systematic play of differences.

Words connote different and incompatible meanings at any given time. In addition, meanings continually change over time as the attempt to make sense of the words is put off or deferred.

Language is also unstable in another respect. Not only are the things that we would describe shifting and self-contradictory; we who would describe them shift and contradict ourselves as well. Like the external world, we too are enmeshed in language. And since "[t]he subject (in its identity with itself, or ... its self-consciousness) is inscribed in a language, is a 'function' of language, [it] becomes a *speaking* subject only by ... conforming to the general law of *différance* [Derrida's italics]." Self-contradiction

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reigns internally as well as externally; we necessarily lack a clear self-understanding, and as a result "[t]he privilege granted to consciousness" must be withdrawn.

If we are mired in indeterminacy in this way, how should we react? One obvious and seemingly logical reaction would be simply to cease speaking. Thus Aristotle tells of the philosopher Cratylus, who believed that the world was in flux, so that nothing true could be said about it. As a result, Cratylus "finally did not think it right to say anything but only moved his finger." Woody Allen makes a similar point when he observes that people who talk about the impossibility of communicating should just shut up.

Drastic as the reaction of silence is, it has the merit of responding seriously to what would be a terrible predicament. Would it not be frightening really to believe that everything is in flux, and that we are accordingly controlled by a linguistic force that we had erroneously understood to be our tool? If that were the case, our language would be akin to the computer HAL in *2001*, which rebelled against the instructions of its human programmers, informing them: "I'm afraid I just can't do that." The only possible consolation would be an appeal to our envy and our egalitarianism; it might be reassuring to believe that we are all in the same boat, in that putatively great writers like Plato or Rousseau can no better control language than can we. A great many deconstructionist critics undoubtedly do take consolation from this, but the consolation is quite false; if Derrida's analysis is correct, the boat that we are all in is leaky and threatens to sink us all. Derrida may believe that the inability to communicate—to express our intentions comprehensibly—indicates that we have booked passage on the Love Boat; it is far more likely, however, that the vessel is the Titanic.

The same puzzle presents itself with regard to Derrida's treatment of the limitations of consciousness. Derrida correctly notes that his argument derives from Freud, who "sometimes in very similar fashion put consciousness into question in its assured certainty of itself." But Freud, very much unlike Derrida, thought that the prevalence of human irrationality posed a great problem for human life; irrationality was not a condition to be celebrated but the indication of a disease badly in need of a cure. Rationality was what made communication possible between people; by contrast, neuroses isolated them, placing them in a private world that others (psychoanalysts perhaps excepted) could not understand, that neurotics themselves could not understand. Psychoanalysis was there-

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fore intended to facilitate communication, or what Derrida calls full speech.

In Derrida's view, by contrast, "there is no full speech." We are all closed off in the linguistic equivalent of solitary confinement. It is impossible to achieve community of any sort, because thoughts can never really be made common; I make of your speech what I wish, and you make of mine what you wish. Derrida fancies himself an egalitarian thinker, but this analysis suggests that he cannot really be one; equality is chimerical in the absence of community, in that equality presupposes a certain objective commensurability or comparability that Derrida simply rules out. In a passage cited by Derrida, Aristotle (not a notably egalitarian thinker) observes that "mental experiences ... are the same for all"; Derrida could not say the same. Hierarchical as Aristotle may have been, in principle anyone—black or white, male or female, master or slave—can understand anyone else, because thought and speech make possible a public world. Anarchic as Derrida is, all mental experiences are idiosyncratic, so that in principle no one can understand anyone else.

A useful image of the Derridean world emerges when Derrida summarizes Rousseau's understanding of the workings of oppressive governments upon language. Rousseau claims that oppressive governments "create a situation of dispersion, holding subjects so far apart as to be incapable of feeling themselves together in the space of one and the same speech, one and the same persuasive exchange." Since the anarchy endorsed by Derrida precludes communication, in this respect it strikingly resembles the tyrannies condemned by Rousseau.

But if Derrida's world, in which communication is precluded, is so forbidding, wherein lies its appeal? Two answers suggest themselves. First, being overmastered by a large, impersonal force like language would have a certain paradoxical attraction; notwithstanding its obvious drawbacks, subjection of this sort would free us from personal responsibility for our speech. If we always say something other than what we mean, obviously we cannot be blamed for what we say.

Tocqueville has written that belief in the omnipotence of large, impersonal forces characterizes democratic times, in which individuals sense the contrast between their own puniness and the strength of the social monolith that surrounds them. This analysis suggests that Derrida's thought is less a radical protest against the

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drab conformist rationality of the bourgeois democratic world (as he himself supposes) than a predictable outgrowth of that world. Tocqueville, the most perceptive student of the democratic world, criticizes democratic historians in terms that are remarkably relevant to Derrida. Tocqueville feared their tendency to "make great general causes [as opposed to the actions of particular individuals] responsible for the smallest particular events"; as he demonstrates, the last thing that democratic peoples need to hear is the impossibility of self-reliance and the wisdom of fatalism:

> [H]istorians who live in democratic times do not only refuse to admit that some citizens may influence the destiny of a people, but also take away from the people themselves the faculty of modifying their own lot and make them depend either on an inflexible providence or on a kind of blind fatality.... One would suppose that man had no power, neither over himself nor over his general surroundings. Classical historians taught men how to command; those of our own time teach next to nothing but how to obey. In their writings ... humanity is always tiny.... If the doctrine of fatality ... passes from authors to readers, infects the whole mass of the community, and takes possession of the public mind, it will soon paralyze the activities of modern society.

In one sense, then, Derrida's emphasis on our linguistic predicament betokens the diminution of man. In a way, however, his claim about language is meant for show, and not to be taken wholly seriously. In theory language dominates us; in practice linguistic indeterminacy grants us the license to make anyone else's speech mean anything we choose to make it. In this sense, man—especially if he is a literary or philosophical or legal critic—is not diminished; instead he is greatly elevated, given complete interpretative license to understand anything in any way.

This provision of interpretative license can seem—and is meant to seem—vaguely leftist. Derrida's claim that meaning cannot be definitively determined by writers or speakers may be seen as an attack on their possessive individualism, their attempt despotically to "control" meaning; thus it can seem analogous to the Marxist claim that property ultimately cannot be controlled by its possessive-individualist capitalist proprietor. Here again, though, the distinction between theory and practice is relevant. Deconstructive interpretation resembles Marxist control of the means of production as implemented in practice, not as envisioned in theory. In theory Marxism seeks universality or common agreement, but in practice it cannot attain this ideal; it ends by dangerously empowering the arbitrary human will of a minority, as "public

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ownership" proves to mean ownership by a Party rather than by the public. But deconstruction, here resembling fascism rather than Marxism, already rejects in theory the very possibility of universality or common agreement. It saves time by moving directly to the practice of dangerously empowering the arbitrary human will.

The elevation of the subjectivity of some (interpreters) and the denigration of the subjectivity of others (speakers) produces not a public world but a chaotic one, an interpretative war of all against all from which we cannot emerge, because it is impossible to arrive at an agreement. Ironically, the attack on the possessive individualism of speakers and writers culminates in a far more thoroughgoing individualism; it yields an atomistic, solipsistic world in which nothing can be held in common. Depending on how it is understood, Derrida's world either crushes the individual beneath the yoke of the tyranny of language or empowers him to tyrannize it, interpreting freely to make of it what he will. The meeting of these two extremes is no coincidence; mastery, like slavery, denies to men the capacity to speak and to be understood by one another, and on that basis to frame and to abide by universal moral laws.

The decentered cannot hold

I have suggested that there is something fascistic in Derrida's wholesale rejection of universalism, in his acquiescence in the most arbitrarily willful individualism. But it is important to realize that Derrida understands himself very much as a man of the left. In his essay written in defense of Paul de Man (Derrida's fellow deconstructionist and Yale colleague, who was posthumously discovered to have written anti-Semitic articles as a youth for a collaborationist newspaper in Nazi-occupied Belgium), Derrida describes himself in this way: "I am Jewish, I was persecuted as a child during the war, I have always been known for my leftist opinions, I fight as best I can, for example against racism." Several of Derrida's writings have been occasioned by his desire to express his opposition to apartheid, even while making much (in "Racism's Last Word") of the impotence of "the customary discourse on man, humanism and human rights"—that is, the doctrine of universally applicable moral laws—in combatting it.

The discourse of human rights rejects ethnocentrism and racism because they are particularistic; they wrongly elevate what is common only to some human beings over the universal qualities that are common to all of us. But this raises a question: What enti-

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tles Derrida to attack ethnocentrism, since he denies the existence of a universal reason and a universal morality?

Humanists criticize ethnocentrism, as we have seen, for putting the wrong thing at the center; they hold that the universal should be valued over the particular. Derrida's critique is quite different. He denies that one can criticize the particular only in the name of the universal; instead, remarkably, he rejects both universalism and particularism. Thus he can claim that "[l]ogocentrism is an ethnocentric metaphysics." Ethnocentrism, then, is obviously not rejected in the name of a universal *logos* or reason common to all. Ethnocentrism's failing is not that it elevates the wrong thing, puts the wrong thing at the center; instead, it is wrong (as universalism is equally wrong) because it elevates *anything*, puts *anything* at the center. The belief in truth, then, is the source of our evils; if nothing is true, obviously the wrong thing cannot be true. What we need, therefore, is to reject truth, or to accept "decentering," "the lack or absence of a center."

This is why Derrida thinks that the political implications of his doctrine are comforting. If meaning constantly shifts, what Derrida calls "totalization" or a "center" cannot exist, so that no one can wrongly be excluded from the center. In the essay on de Man, Derrida even links the rejection of totalization to the rejection of totalitarianism, claiming that his "principal motivation [is] the analysis of the conditions of totalitarianism in all its forms, ... in order to free oneself of totalitarianism as far as possible."

In effect, Derrida criticizes totalitarianism in the name of anarchism, both intellectual and political: "Not only is there no kingdom of *différance*, but *différance* instigates the subversion of every kingdom. Which makes it obviously threatening and infallibly dreaded by everything within us that desires a kingdom."

The question, of course, is whether we do not need a kingdom or center or ultimate principle to guide us. We would certainly seem to; despite himself, Derrida must have a basis for believing that ethnocentrism is *truly* wrong, and it is awfully hard to see what his basis could be without pointing to something like objective or universal moral truth. As this example suggests (to Derrida's credit), intellectual anarchism is usually a pose; no one really believes in nothing. Intellectual anarchy, like political anarchy, never survives for long. We always need something to believe in (as we always need someone to govern). To put it kindly, twentieth-century history does not suggest to those opposed to ethnocentrism

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that we should be eager to repeat the experiment of rejecting the universal "discourse on man, humanism and human rights."

Yet this is the good night into which Derrida would have us go gentle. An additional reason to welcome the absence of truth, he contends, is that it facilitates what he calls play. We can at last be playful because we no longer must believe that our discourse is constrained by the supposed need to represent an objective reality: "The absence of the transcendental signified extends the domain and the play of signification infinitely."

Play is enjoyable, to be sure. Still, obvious objections to the world of free-floating interpretation suggest themselves. To begin with, many of the most pleasurable games have rules; that is to say, they are governed by just the sort of common agreements that Derridean play excludes. In addition, play is most enjoyable in the context of, as a relief from, work that is serious and purposeful. The price that one pays to inhabit the Derridean world of play is the impossibility of ever returning to the world in which we can be held to account, can earn praise and merit blame for what we say and do. Derrida may believe that the "joyous affirmation of ... play [is] the affirmation of a world of signs without fault, without truth"; others, however, will suggest to Jacques that all play and no work would make for dull boys. Derrida himself concedes—or rather, insists—that the world of play is a dehumanized world: "[It] tries to pass beyond man and humanism, the name of man being the name of that being who, throughout the history of metaphysics...—in other words, throughout his entire history—has dreamed of full presence, the reassuring foundation."

For an antidote to the supposed charms of this world, it is useful to return to Nietzsche, who understood so well how purposelessness, engendered by indifference to "full presence," could trivialize humanity. Nietzsche proclaimed that the inaccessibility of truth would open up a frightful abyss of meaninglessness. It is for this reason that he chooses a figure who has been driven mad to announce the death of God, which more generally refers to the absence of any transcendent truth; the madman laments that the result of God's death is that we "feel the breath of empty space," in that "what was holiest and most powerful of all that the world has yet owned has bled to death under our knives."

Nietzsche, unlike Derrida, recognized that human life needs purpose if it is to be more worthwhile than animal life. Thus Nietzsche praised the "sovereign individual ... whose mastery over

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himself also necessarily gives him mastery over circumstances, over nature, and over all more short-willed and unreliable creatures." Nietzsche had nothing but contempt for the sort of aimlessness celebrated by Derrida, the "freedom" that entails "liv[ing] for the day, ... liv[ing] very fast, ... liv[ing] very irresponsibly." "If humanity still lacks a goal," Nietzsche's Zarathustra asks, "is humanity itself still not lacking too?"

It goes without saying that Nietzsche's thought is problematic in many ways; it is not clear that we can simply create "truths" to live by, and to the extent that we can they might be terribly dangerous and destructive ones (e.g., Nazism). At the same time, however, Nietzsche was surely right to suggest that a life that simply affirmed and celebrated purposelessness would be greatly impoverished.

Nietzsche pointed to the deep ambiguity of the cessation of the quest for truth; it makes possible the superman (who creates new values to live by), but it also makes possible the last man, "the most despicable man..., he that is no longer able to despise himself." The last man no longer "set[s] himself a goal"; questions like "What is love? What is creation? What is longing?" leave him wholly unmoved and indifferent. In Derrida's thought the complacently self-satisfied last man merely masquerades as a superman; Derrida's easygoing egalitarian affirmation of mediocrity, mocking as it does the human quest for transcendence, has more in common with the world of *I'm O.K., You're O.K.* than with that of Zarathustra.

Derrida's appeal

Deconstructionists often present themselves as an embattled minority within the American academy, but this is far from the case. In fact, they are at the center of the contemporary academic establishment. Derrida himself has noted that his influence is "stronger in the United States than anywhere else," and a recent article in the *Wilson Quarterly* confirms that

> papers of a deconstructionist bent dominate the proceedings of such weighty assemblies as the annual convention of the American Modern Language Association. More to the point, the people who deliver these papers are being hired, in increasing numbers, by the faculties of the most prestigious British and American universities.

Derrida's influence, moreover, extends far beyond the teaching of literature. Today it greatly affects the teaching of law. Thus

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Sanford Levinson, a prominent professor of constitutional law, writes that "the 'death of constitutionalism' may be the central event of our time"; this is because

> there is a real problem concerning what law professors, especially those identified with critical legal studies, are willing to say about the notion of truth.... [T]hose of us who are classified as nihilists have drunk deeply at the well of those branches of modern thought [e.g., deconstructionism] most skeptical of concepts like truth, neutrality, or disinterestedness.

Still more surprisingly, deconstructionism has even begun to influence architecture, to which "Derrida has lately turned his attention," as Roger Kimball notes in *Tenured Radicals*. Kimball observes that today "[o]ne ... sees architects obsessed with language; rejecting traditional aesthetic values such as clarity, order, and harmony; and designing buildings that seek to undermine or deconstruct such conventional 'prejudices' as the desire for comfort, stability, and commodiousness."

What can account for the great extent of the appeal within the academy of deconstructionism, displaying as it does such a cheerily ironic attitude toward the degraded and impoverished vision of humanity that it sets forth? Let me conclude with a few attempts to account for this phenomenon, some of which apply chiefly to literary studies, and others more broadly.

A somewhat narrow and occupational explanation would focus on boredom. There are obviously many worthwhile things that traditional literary and philosophical scholarship of whatever stripe can say, but ultimately their number is probably finite. As the statements are progressively exhausted, something else must be found to say; thus the response to the continuing need to publish (either to advance professionally or just to have something to do) has been to "open the canon" (that is, to study new works) or to adopt new methodologies (e.g., deconstruction), or to do both.

Deconstruction also provides the added benefit of employing a distinctive jargon. (In addition to *différance*, important Derridean terms include trace, archi-writing, archi-trace, *pharmakon*, supplement, hymen—among a great many others.) Using a technical vocabulary, its practitioners can aspire to a certain professional status that is denied to academic humanists who write more comprehensibly and for a general audience. Furthermore, as I have already suggested, deconstruction elevates the interpreter or critic above the literary or philosophical figure that he studies. His (or her)

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Shakespeare has nothing to learn from Shakespeare himself. The thrill of being Shakespeare's superior is not to be understated.

These inducements notwithstanding, one can only hope (and one can in fact expect) that the perceived need to do something new and different will lead to a shift away from deconstruction in the American academy, analogous to the shift that has already taken place in France. If boredom is the problem, deconstruction is not the solution; once one has said that nothing can be said about the world, there is nothing left to say (and Derrida has been saying just that, over and over again, for some twenty-five years now). It is only if one believes that something can be said about the world that there are a large variety of interesting and plausible things to say.

Thus the flight from traditional literary and philosophical analysis that was motivated by boredom has led humanists down a blind alley. Nevertheless, a second and more ideological explanation of the success of deconstruction indicates that it would be wrong to anticipate a critical counterrevolution that would lead to the restoration of, say, Lionel Trilling as an icon of critical authority. Ironically, one of Trilling's own concepts—the "adversary culture," now so prevalent in academe—explains why the counterrevolution will at best be long in coming.

It is impossible seriously to believe any more that any existing "socialist" civilization can plausibly serve as a criterion by which bourgeois civilization can be judged and found wanting. The death of Marxism has not, however, ended the contempt for or hatred of bourgeois civilization that had drawn bourgeois intellectuals to Marxism. Marxism's collapse has instead provoked the desire to adopt another system of thought that can serve as a basis for the condemnation of bourgeois civilization. Derrida and the other "poststructuralist" French thinkers provide such a system of thought. Inspired by Heidegger as well as Nietzsche, their work entails a thoroughgoing critique not only of bourgeois individualism, but also of bourgeois rationality and bourgeois morality. Unfortunately, as we have seen, their critique is so thoroughgoing that in fact it rejects human individualism, human rationality, and human morality of every imaginable stripe. It is in this sense that their thought is antihumanist. Stupendous as its failings undoubtedly were, Marxism at least offered a vision of a superior nonbourgeois communalism, rationality, and morality, in whose name the critique of bourgeois civilization could be justified. Anti-

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humanist thought offers no such alternative vision; its nihilism is incompatible not only with bourgeois civilization, but also with every other form of civilization.

Nietzsche, to whose thought I have so frequently alluded, believed that the appeal of asceticism or self-denial lay in its provision of an alternative to nihilism; thus he claimed that people "would rather will nothing than not will." Derrida has gone Nietzsche one better; the appeal of his thought has demonstrated that many would-be intellectuals would rather not will—or rather, would will to embrace a system of thought that seemingly denies to humans the capacity to will—than be thought to be bourgeois.

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The homelessness muddle

ROBERT C. ELLICKSON

DURING THE PAST decade, homelessness has emerged as a major social problem; yet our attempts to combat it seem only to have worsened things. Although the number of shelter beds in the United States almost tripled between 1983 and 1988 (going from 98,000 to 275,000), beggars now frequent downtown sidewalks and parks in ever-growing numbers. To understand why this has happened—in particular, why increases in government shelter programs have increased the count of homeless people as they are currently defined—one must realize that the view of homelessness proffered by activists like Robert Hayes, Jonathan Kozol, and Mitch Snyder is fundamentally flawed. Although these advocates deserve credit for bringing attention to the human tragedy of homelessness, their central policy proposal—more government-funded housing projects—is as wrong-headed as their assessment of the current situation. Instead of providing unconditional shelter to all who apply for it, policymakers should devise aid programs that better reflect the diversity of the homeless population and that do more to discourage dependency.

The current confusions in homelessness policy start with semantics. The term "homeless" is now used to describe people in

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two quite different situations on a given night. First, it applies to the street homeless—people who sleep in vehicles, parks, bus stations, and other places not designed as residences. Second, it includes the sheltered homeless—those who obtain temporary housing either in shelters that local governments or charities operate, or in rooms that can be rented with emergency housing vouchers supplied by welfare agencies. Unlike the street homeless, the sheltered homeless sleep in places designed for residential living; members of both groups, however, almost invariably lack permanent homes.

This bundled definition of homelessness leads to the paradoxical result that greater governmental spending on shelter programs increases the reported number of homeless people. New beds in free shelters draw not only people from the streets, but also those who are housed. Shelters are often used by poor people who have been doubled up with friends or relatives, living in cheap rented rooms, or confined in hospitals, detox centers, or other institutions.

To see how the bundled definition of homelessness misleads, suppose (not unrealistically) that a new hundred-bed shelter draws forty people from the street and sixty who would otherwise have slept in housing or institutions. The street homeless population would fall by forty, and the sheltered homeless population would rise by a hundred—which would increase the total reported homeless population by the sixty who were drawn from their previous housing. Semantic imprecision is thus a major reason why recent bursts in aid to the homeless have been widely regarded as inadequate and ineffectual. To improve the quality of public debate, policymakers and journalists should distinguish between street and sheltered homeless, and should strive to report separate tallies of each. Emphasis on this distinction would help reveal the successes (or failures) of new shelters in reducing street populations; it would also reveal that about half of homeless individuals—and the vast majority of homeless families—are in shelters, not on the streets.

Homeless families

Field surveys of the homeless turn up thankfully few families—meaning one or more parental figures accompanied by one or more minor children—sleeping in places not designed for residential living. In 1985-1986 Peter Rossi and his associates supervised a pioneering middle-of-the-night canvass of Chicago's abandoned

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buildings, vehicles, and public places where street homeless might be found sleeping. Rossi's investigators turned up no unsheltered children. In 1986 a different team applied Rossi's techniques in the skid-row area of Los Angeles and also found no families outside. Similarly, Martha Burt and Barbara Cohen of the Urban Institute conducted a nationwide survey in 1987 that located no children in a sample of outdoor places where homeless people congregate.[1]

These findings hardly mean that minors always are sheltered. Some homeless parents using soup kitchens, for example, have told investigators that they sleep with their children in vehicles or other places not designed as housing. Based on reports of this sort, Burt and Cohen estimated that 2-5 percent of homeless children nationwide are unsheltered. In 1988 the Colorado Coalition for the Homeless conducted a warm-weather survey in the Denver area that suggested a somewhat higher percentage. It is nevertheless clear that, in part because child-welfare agencies intervene to prevent abuse and neglect of children, on any given night the vast majority of homeless families are in places designed for residential living.

Families arriving at shelters are overwhelmingly drawn from housing, not from the street. A 1988 survey of New York City, directed by James Knickman and Beth Weitzman, found that 90 percent of arriving families were currently receiving Aid to Families with Dependent Children (AFDC).[2] Seventy-one percent of these families had been doubled up with family or friends during the previous night. Another 18 percent had been living in their own places.

A further indication that family shelters draw mainly from housing is that the number of families receiving emergency shelter varies dramatically over place and time. It is improbable that changes in the neediness of local families would be nearly so abrupt, and indeed the shifts correspond closely to changes in the content of family-aid programs. The experience of New York City is instructive. During the 1970s, when the city was willing to

[1]See Peter H. Rossi, *Down and Out in America* (University of Chicago Press, 1989); Hamilton, Rabinowitz and Alschuler, Inc., "The 1986 Los Angeles Skid Row Demographic Survey"; Martha R. Burt and Barbara E. Cohen, "Feeding the Homeless" (Urban Institute, 1988).

[2]James R. Knickman and Beth C. Weitzman, "A Study of Homeless Families in New York City" (NYU Graduate School of Public Administration, 1989).

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decline some families' applications for emergency shelter, the best available data indicate that it provided emergency housing assistance to fewer than a thousand families per night. In the early 1980s, under pressure of litigation, New York began to provide free shelter to all families that showed up at its intake points; by August 1987 it was providing emergency housing to 5,200 families a night. The city then began revising its program, partly because federal officials had threatened to stop sharing the huge cost of housing families for long periods in horrendous welfare hotels. Over the next two years the total number of families that New York City was aiding in hotels and shelters declined by 25 percent, to 3,900. This drop almost certainly stemmed from the city's policy changes, not from a sudden decline in need.

The fact that tallies of homeless families are highest in the localities that offer the most generous aid supports the proposition that family shelters mostly substitute for other forms of housing. In 1987, according to Burt and Cohen's estimate, American cities with populations above 100,000 had a combined total of roughly 40,000 people in homeless families. In that same year New York City alone was aiding 17,000 people in homeless families, or about 40 percent of Burt and Cohen's national big-city total. New York's per capita incidence of family homelessness was five times the average for other big cities. The most obvious explanation for this discrepancy is that during the 1980s New York City had become one of the few cities to offer free shelter, with no questions asked, to all families that showed up at emergency intake sites.

Statistics from other areas in the Northeast strongly support the proposition that providing poorly tailored aid increases family homelessness. In September 1989 Westchester County (north of New York City) was giving emergency housing aid to about eight hundred families, three-fourths of which it was putting up in motels and providing with cash food allowances; at the same time, Nassau County (east of the city), whose population is half-again larger than Westchester's, was giving emergency aid to fewer than fifty families, none of them in motels. Differing county policies account for most of this disparity: Westchester County typically grants families that apply for emergency housing a free stay in a motel, while Nassau County refers them first to small nonprofit shelters and sends them to motels only as a last resort. Similarly, in New Haven, where families are placed in motels, the rate of family homelessness is six times higher than in Hartford and

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Bridgeport, two comparably sized and comparably poor Connecticut cities where homeless families are sent to congregate shelters.

Survey data also indicate that heads of homeless families are responsive to differences in aid programs. In 1985 Richard Towber interviewed families applying for emergency shelter in New York City. In his sample 61 percent of the family heads stated that they would turn down some types of emergency housing aid, and 89 percent of this subgroup said that they would decline placement in a congregate shelter. One can infer that many applicants for emergency shelter have other housing options, such as doubling up with friends or using part of their AFDC stipend to pay rent.

Cities obviously need a system of temporary emergency aid to house families victimized by fires, intrafamily violence, and other sudden emergencies. Many governments, however, have come to define homelessness so broadly that they offer emergency aid to households turned out by primary tenants (friends or relatives) or evicted for nonpayment of rent. To avoid creating perverse incentives, a government that broadly identifies the families eligible for emergency aid must be wary of providing significant financial benefits to applicants. Unfortunately, some governments have not learned this lesson. To clear homeless families from its costly emergency shelters and hotels, for example, New York City has at various times jumped these families to the top of the waiting list for the city's subsidized housing projects. To relocate homeless families from motel rooms, Connecticut administrators have granted them rental assistance payments (RAPs) covering most of the rent in their subsequent dwellings; the present value to a family of a stream of RAP benefits runs in the tens of thousands of dollars. Many poor families, of course, are not aware of specific program details; still, as welfare officials have found, prospective beneficiaries tend to understand the general picture. Partly because it is desirable to shield children from the chaos of temporary housing, governments should be wary of making indigent parents welcome eviction.

Homeless individuals

Burt and Cohen estimated that the homeless singles population outnumbers the homeless family population by about three to one. Homeless individuals are somewhat more likely than homeless families to sleep in places not designed as dwellings. Nevertheless, particularly during harsh weather, many fewer homeless indi-

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viduals sleep outside than is generally supposed. In his sweeps during the Chicago winter of 1986, for example, Rossi found 74 percent of the homeless sleeping in shelters; 25 percent in stations, theaters, and other public-access places; and only 1 percent in unheated venues such as abandoned buildings or parked cars.

Irving Piliavin and Michael Sosin found in their study of Minneapolis that the typical homeless individual cycles between street and residential settings within the space of a year.[3] A thirty-year-old alcoholic, for example, might sometimes stay with friends or family, sometimes have a place of his own, sometimes live on the streets, and sometimes be in a jail or detox facility. The establishment of an emergency shelter inserts another possible landing place into this cycle. Although a city that opens a new shelter usually intends to serve the street homeless, in practice a shelter substitutes for locations both on the street and in the housing stock.

It is easy to imagine circumstances under which the opening of a new emergency shelter would draw in individuals who otherwise would live in housing. Suppose, for example, that the alcoholic had been staying with a friend or relative who had increasingly found him to be difficult company. Upon learning that a new shelter had opened, the primary tenant might become more willing to tell the roomer that he had overstayed his welcome. Or suppose that a worker with a low-wage job and a cocaine addiction were living alone in a rented room. If a tolerable shelter were to open, this worker might consider moving from the rented room in order to free up funds for drugs. Conversely, a jobless person who had been staying for months in a round-the-clock, full-service shelter might see little cause to find a job that would enable him to rent a room.

Regrettably, we do not really know to what extent beds in new shelters for individuals substitute for the street and to what extent for beds in housing and institutions. The most pertinent evidence at hand, all of it from New York City, comes from interviews with homeless individuals themselves. In 1982 Stephen Crystal found that 38 percent of the new arrivals at New York shelters had spent the prior night on the street; 47 percent had been in housing and 16 percent had been in a hospital, a jail, or another institution. Subsequent studies in New York also found that fewer than half of the new arrivals at shelters had come directly from living on the street.

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[3]Irving Piliavin and Michael Sosin, "Tracking the Homeless," *Focus*, vol. 10, no. 4 (1987-1988), p. 20.

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Evidence of how singles-shelter populations have varied according to time and place also suggests that new shelter beds for singles largely substitute for housing. During the 1980s, New Haven, Westchester County, and New York City all began to offer a free bed to anyone who asked for it (and was willing to obey rules against alcohol, drugs, and bad behavior). The singles-shelter populations in all three places promptly leapt upward, quadrupling in New York, for example, between 1981 and 1987. It is possible, of course, that the political leaders of the three jurisdictions correctly anticipated large bursts in latent homelessness—the amount of street homelessness that would exist in the absence of any social programs; by providing shelters, they may have staved off large increases in their street populations. A city that opens up shelters may also attract migrants from the streets of other cities. Nevertheless, the best explanation for the prevalence of homelessness in, say, Westchester County (which assists ten times more homeless individuals than Nassau County) is that its unusually generous homeless-aid programs have pulled in many people from its own housing stock.

On the whole, it seems highly probable that singles shelters substitute in significant part for housing. If accepted for purposes of policy analysis, this proposition would have two important implications. First, it would carry the welcome news that latent homelessness has not been escalating to the degree that many people think. Second, it would call attention to the fact that shelters significantly aid two other groups besides street people: impoverished individuals who choose a free shelter bed over other housing options, and primary tenants who, because of the availability of shelters, are emboldened to evict difficult housemates. Whether members of these two groups should be aided in this way, or indeed specially aided at all, are debatable questions. One can imagine the relief that shelter programs have sometimes provided to families and friends who have lost patience with housemates. On the other hand, the wretched social environment in many shelters may aggravate underclass pathologies of dependence, unemployment, and substance abuse. If so, Peter Rossi's suggestion of a program of Aid to Families with Dependent Adults—that is, public-assistance payments that would help families house and feed adult members incapable of supporting themselves—would seem more sensible than a program of building more shelters. The point, however, is that policymakers cannot even begin to debate these alternatives

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until they come to recognize that singles shelters apparently draw significantly, perhaps even primarily, from housing.

The national numbers debate

In light of the political volatility of the homelessness issue, it is hardly surprising that estimates of the growth and size of the homeless population have varied widely. Predictably, those who advocate spending more on homelessness programs have produced some of the most inflated estimates. For example, Mitch Snyder's advocacy organization, the Community for Creative Nonviolence (CCNV), currently asserts that America has three to four million homeless people. As scholars of homelessness have often pointed out, the CCNV's national estimates have never rested on any credible factual foundation. Indeed, Snyder himself has never seriously tried to defend the CCNV figures, and for good reason.

In 1984 the Department of Housing and Urban Development (HUD) made the first systematic attempt to count the national homeless population, and arrived at a figure of 250,000 to 350,000—about one-tenth the CCNV's number. The most careful recent field studies, such as Rossi's, Burt and Cohen's, and Georges Vernez's, indicate that HUD was not far from the mark. Estimating the homeless population is obviously a Herculean task, particularly because of the difficulty of counting the street homeless. To overcome this problem, Rossi pioneered the use of intensive field sweeps, while Burt and Cohen interviewed patrons of soup kitchens about where they had recently slept.

These scholars' findings suggest that the national homeless population—both street and sheltered—on any given night is between 0.1 percent and 0.2 percent of the total population. Thus their counts correspond closely with HUD's 1984 estimate. Rossi, for example, estimated the total Chicago homeless at around 2,300 per night during the fall of 1985, or a bit under 0.1 percent of the city's population. In his 1989 book, Rossi indicated that his "best estimate" of the national homeless population was 250,000 to 350,000—the same estimate that HUD had made five years earlier.

By 1989, however, HUD officials had begun to rely on a national estimate of 600,000, a number derived from calculations made by Martha Burt in a memorandum dated September 11, 1988. Burt herself has made clear that this figure is probably too generous. Most of Burt's estimates aim at fixing the number of dif-

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ferent people who would be on the street or in a shelter on at least one night during a one-week period. Previously, HUD had estimated the homeless population for a single night; given the fluidity of the homeless population, this number is considerably smaller. Burt did make some one-day estimates as well, but she based them on a street-shelter ratio of two to one. This ratio is almost certainly too high for several reasons. First, Burt applied the ratio to families, who are almost all sheltered, as well as to individuals. Second, there were far more shelter beds in 1987, the year of Burt's estimate, than in 1984, when HUD judged the street-shelter ratio to be less than two to one; by 1987 a one-to-one ratio was more realistic. Lastly, Burt assumed without explanation that the rate of homelessness in suburban and rural areas is about three times higher than her supporting studies would indicate. Stripped of all these upward biases, Burt's one-day estimates of the 1987 homeless population probably would have come out only slightly above HUD's 1984 estimate of 250,000 to 350,000.

Why latent homelessness is on the rise

Although most of the advocates' figures appear to be inflated, the nation's homeless population undoubtedly did grow during the 1980s. Even if we account for the fact that the addition of some 177,000 shelter beds between 1983 and 1988 pulled significant numbers of people out of housing and institutions, most observers believe that latent homelessness has been increasing.

The rise nevertheless has been smaller than most people who frequent downtowns might think. Such observers fail to reckon with the near demise of skid rows, where many destitute people used to live in relative isolation. In 1986 the *New York Times* reported, for example, that there were only one-fourth as many flophouse beds in New York's Bowery section as there had been twenty years earlier. Significantly, in most cities new skid rows have not arisen to replace the ones that have been gentrified. The dispersion of skid-row populations has done much to increase public awareness of the destitute and homeless.

One reason for the continuing decline of skid rows is that Social Security and federal disability benefits have increased greatly over the past two decades. Many older people who would otherwise have spent their autumn years in skid-row neighborhoods can now afford to live elsewhere. In addition, since the 1960s the legal system has extended much more protection to down-and-out

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people. Before these reforms, an unspoken mission of the police in many cities was to keep "bums" out of the nicer parts of town. A police officer could perform this task with vagrancy arrests, mass roundups of street drunks, and commands—backed by a nightstick—to move along. Such tactics have now been blocked. Judicial decisions have struck down vagrancy laws, curbed the mass arrests of drunks, and assessed damages against police departments that have been too aggressive with street people. These legal innovations, coupled with greater police and citizen solicitude for the down and out, have allowed skid-row residents to escape their old confines. Advocates also seem to have learned that situating soup kitchens in conspicuous locations yields political benefits. The rise in homelessness, although real, is thus less than meets the middle-class eye.

Homeless advocates such as Jonathan Kozol offer a simple explanation for the increase in latent homelessness during the 1980s: Reagan administration cuts in the federal housing budget. But the premise of this argument is false. During the late 1970s the Carter administration's HUD mapped out an ambitious expansion of federally subsidized housing projects, concentrating on public-housing projects built and managed by local authorities. Beginning in 1981, Reagan's HUD drastically cut back on these plans for future projects and instead redirected new federal spending to Section 8 housing allowances, which help low-income householders pay the rent due private landlords. Under federal accounting rules, Congress must provide forty years of "budget authority" when it approves a new public-housing dwelling unit, but only five years when it approves a new Section 8 allowance. This discrepancy arises because the unavoidable federal financial commitment is more long-lived in the case of public housing. As a result, the Reagan administration's decision to shift future initiatives from public housing to Section 8 assistance reduced by 87.5 percent the budget authority that HUD needed to aid an additional low-income household. When the specialists involved in the production of subsidized housing projects bemoan federal cuts, they usually trot out figures based on these paper cuts in budget authority, a highly misleading measure.

Much more relevant to low-income families are the trends in how much HUD is spending and how many households it is aiding. Federal spending on low-income housing programs actually increased sharply during the 1980s. According to computations by

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University of Virginia economist Edgar Olsen, federal housing subsidies for low-income families went from $5.8 billion in fiscal 1980 to $13.8 billion in fiscal 1988. Adjusting for rent inflation, this represented a real spending increase of over 50 percent. Between 1980 and 1987 (the last year reported in the *Statistical Abstract*), the stock of public-housing units increased from 1.2 million to 1.4 million, as projects that Carter's HUD had put into the production pipeline were completed. More significantly, during the same years the number of low-income households receiving Section 8 assistance doubled to 2.2 million. Thus from 1980 to 1987, the federal government came to provide housing aid to an additional 1.3 million low-income households—more households than the entire public-housing program had assisted in 1980.

Advocates also frequently assert that decreases in the number of single-room occupancy units (SROs) have reduced vacancies, raised rents, and spurred latent homelessness. This is plausible in some cities, notably New York, where municipal housing codes, rent controls, and slum-clearance programs have often impeded the creation and maintenance of these low-cost forms of housing. Still, the connection between homelessness and changes in housing markets is uncertain. Because most anti-SRO policies predated the 1980s, it is unclear why the SRO market would suddenly have started to function poorly in that decade. Although many SROs have been demolished in recent years, many replacement dwelling units may also have been supplied by landlords who reconfigured their buildings to meet the demand for cheap rooms. Little is known about these matters, because in most cities data on abandonments and conversions are poor. Information on trends in rent levels *is* available, and it shows that during the 1980s residential rents generally did rise appreciably faster than inflation in the Northeast and West. If real rent increases were an important cause of the rise in latent homelessness, however, the South and Midwest, where real rents have not risen, should be relatively free of street people. Significant regional variations in homelessness have yet to be detected.

Other explanations for the recent increase in latent homelessness are more compelling. First, most homeless individuals are between twenty-five and forty-five. This age cohort, the baby-boom generation, is currently unusually large; in addition, it came of age when norms against substance abuse were unusually weak. The crack and cocaine epidemics of the 1980s undoubtedly boosted

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latent homelessness. Addictions lessen capacities to pay rent and to keep a job; in addition, primary tenants are no doubt more likely to evict addicted housemates than unaddicted ones.

It is furthermore well known that many of the most forlorn of the homeless are on the streets because of the emptying of mental hospitals, prompted in part by changes in treatment policies and in part by a sharp increase in the constitutional and statutory rights of the mentally ill. Today, a person cannot be committed involuntarily without a judicial finding—reached through protective procedures that include a right to counsel—that the person is dangerous to self or others. A physician, hospital, or police officer who violates these legal protections can be held liable for substantial damages to the wrongly confined patient. Half a million fewer people are in institutions today than would be the case if the rate of institutionalization were what it was in the 1950s. Indeed, between 1960 and 1975 the average daily population of state and county mental hospitals dropped by 60 percent. And, despite continuing increases in the adult population, the number of patients in state and county mental hospitals has continued to drop, going from 193,000 to 107,000 between 1975 and 1987. Because the last people to be released would tend to be least able to take care of themselves, the emptying of hospitals explains much of the rise in homelessness. There are now many more troubled people on the streets; in New York City between 1980 and 1988, for example, the number of emergency calls reporting emotionally disturbed people rose from 21,000 to 47,000.

Finally, the rise in latent homelessness seems linked to the increasing social isolation of the underclass—that is, poor people who grew up in poor neighborhoods in single-parent or no-parent households that were highly dependent on public assistance. During the 1970s the central-city poor became more and more concentrated in poor neighborhoods. The connection between homelessness and the deepening of underclass cultures remains somewhat speculative, however, because interviewers have rarely asked homeless individuals about their cultural backgrounds. Nevertheless, the evidence does suggest that the homeless have disproportionately grown up in underclass households. In 1985 Harvard psychiatrist Ellen Bassuk conducted detailed interviews of families in Massachusetts shelters;[4] she found that one-third of homeless

[4]Bassuk reports her findings in "Characteristics of Sheltered Homeless Families," *American Journal of Public Health*, vol. 76 (1986), p. 1097.

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mothers never knew their own fathers. Similarly, Piliavin and Sosin reported that 38 percent of homeless individuals had received out-of-home care during childhood. The increasing fragility of poor families heightens susceptibility to homelessness in a number of ways. People without appropriate family role models have more difficulty entering the world of work; children who grow up in fragile families (not to mention foster homes) typically have fewer helpers to fall back on when adversity strikes them as adults.

Realism about the homeless

These explanations for the rise in latent homelessness highlight a key issue in the current policy debate. Activists for the homeless often suggest that the only thing that distinguishes the homeless from the rest of the population is the lack of a home. For example, Kozol begins *Rachel and Her Children*, a book on the plight of homeless families in a squalid and dispiriting welfare hotel in New York, with a chapter entitled "Ordinary People." But the families that he describes are far from ordinary in important respects. For example, Kozol profiles Laura, a young unmarried mother who, partly because she is illiterate, fails to obtain medical treatment for an infant with scabies and later abandons her children to become a prostitute.

Most homeless families are not random victims of a recent run of bad luck, and it is highly misleading to suggest otherwise. In their study of New York, Knickman and Weitzman found that a major cause of family homelessness was the relative inability of heads of homeless families to function independently—a theme missing in the *New York Times* story on the study, which focused instead on the city's tight housing market. Similarly, Bassuk found that the homeless families she interviewed were overwhelmingly headed by young unmarried women, a majority of whom had never had a job and more than half of whom had first given birth in their teens. Some 91 percent of these families were currently receiving AFDC payments; a majority had been receiving them for over two years. One-third of these mothers had never known their own fathers and one-third had been physically abused as children.

Like homeless families, few homeless individuals were leading ordinary lives before slipping into homelessness. Most homeless individuals suffer from either mental illness or substance abuse, or from both. Findings from dozens of careful field studies suggest that about 25 percent of homeless individuals have been patients in

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mental hospitals and that an overlapping one-third currently show signs of a psychosis or an affective disorder. Georges Vernez, who supervised a far-flung field study in California, reported that 69 percent of homeless individuals interviewed were abusing either drugs or alcohol; over half of this subgroup abused both substances. Even more distressingly, Vernez found that three-quarters of the homeless with serious mental illnesses were also substance abusers. Only 23 percent of the homeless individuals in Vernez's sample were free from both major mental illness and substance abuse.[5]

Many homeless individuals have histories of multiple stays in institutions other than mental hospitals. Rossi found that one-third of the Chicago homeless had been in a detoxification unit for alcohol or drug abuse. Average findings in a dozen studies indicate that 21 percent of the homeless have served time in prison and an additional 21 percent have spent time in jail.

The claim made by some advocates of the homeless—that the stress of being on the streets *causes* the high incidence of mental illness and substance abuse—is unsupportable. Thus Piliavin and Sosin found in their study of Minneapolis that 70 percent of the homeless who had been patients in mental hospitals had been there before their first episode of homelessness.

What is to be done?

No magic sword will slay homelessness. In a society committed to individual liberty, the ravages of substance abuse and mental illness cannot and should not always be hidden from view. Social-service programs designed to put down-and-out people back on their feet are of course appropriate in many contexts, but they are unlikely to enjoy high rates of success. Nonetheless, while my main purpose has been to describe the present situation, it is appropriate to close with a few suggestions.

First, all involved—particularly the media—should work to dispel the fog of misinformation that surrounds the homelessness issue. Hayes, Kozol, Snyder, and other advocates for the homeless have misled the public by exaggerating the size of the homeless population, asserting the ordinariness of homeless people, and misrepresenting recent trends in spending on low-income housing. If not corrected, these distortions may result in ill-advised policies.

[5]See Georges Vernez, *et al.*, "Review of California's Program for the Homeless Mentally Disabled" (Rand Corporation, 1988).

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Second and relatedly, policymakers should reject the policy proposals that stem from the assumption that the homeless are ordinary people down on their luck. Many advocates refer to the housing market as a game of musical chairs. This invalid assumption underlies Robert Hayes's frequent assertion that the solution to homelessness can be stated in three words: "Housing, housing, housing."

Hayes's view is flawed because homelessness is not mainly attributable to breakdowns on the supply side of the housing market, any more than hunger in the United States can be blamed on inadequacies in food production. Instead, homelessness in most cities stems primarily (if not entirely) from the demand side of the market—that is, from the condition of homeless people themselves. The great majority of homeless people are not random victims of a housing-market squeeze, but rather deeply troubled individuals and families who, when deserving of government aid, should be given tailored financial assistance and help in managing their lives more successfully. The construction of nonprofit and public housing projects is a slow and highly roundabout way of serving those ends.

Opening more all-purpose shelters also makes no sense. As officials in New York City have learned, mass shelters that serve all comers not only make it difficult to deliver social services, but also foster a subculture of dependence and deviance. A faster, more economical, and less destructive way to house homeless people is to give them vouchers. Voucher programs, however, must be narrowly and carefully designed. Connecticut's experience with RAPs shows that a poorly structured program may induce households to get themselves into jams in order to receive vouchers.

Vouchers hold particular promise for the one-third of homeless individuals with serious mental problems. Once identified, individuals with such problems could be given specialized housing vouchers that could be cashed only in small board-and-care facilities equipped to serve people with their ailments. Rossi's proposal for in-home cash assistance to families with dependent adults is even more decentralized and family-oriented.

Perhaps as many as a third of homeless singles are presently employable (or indeed already employed), and more could work if they were to take appropriate medication. Many of these people are in their thirties (a prime working age) and must be encouraged to enter the job market. A policy that New York City recently

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adopted may help to achieve this goal. New York now "segments" homeless individuals among specialty shelters, such as facilities for the elderly and the mentally ill. This innovation will make it easier for the city to encourage those staying in its general shelters to reenter the labor and housing markets. Many nonprofit shelters have found it desirable to set a ceiling on the period during which able-bodied people can receive their services. Some limit maximum stays to perhaps two weeks at a time; others intentionally close during daylight hours, rather than staying open around the clock. To adopt policies along these lines, New York City would have to succeed in modifying the consent decrees that it signed to settle lawsuits brought by Hayes and others. If the city could implement these policies, it would both interrupt dependencies and signal that it expects able-bodied persons to reenter the work force.

For homeless families, another sort of reform seems promising. About 90 percent of the heads of homeless families are already receiving AFDC benefits when they apply for emergency housing aid; Knickman and Weitzman found that these mothers are much less able than other AFDC mothers to manage an independent household, and that many of them turn repeatedly to emergency shelters within the course of a year. A paternalistic concern for the welfare of the children in these chaotic families should override the mothers' claims to autonomy. For the sake of these children, legislatures should amend welfare laws to let state agencies pay rent directly to the landlord of a family that has previously made significant use of emergency shelters. Both by deterring the repeat use of emergency shelters and by encouraging lasting post-shelter placements, this reform could bring a bit more stability to the lives of children growing up under the most trying of circumstances.

In sum, governments and charities should make distinctions among the homeless instead of muddling together a highly diverse group of people. Such distinctions would enable service providers to extend aid to, say, the casualties of deinstitutionalization, and to cease providing unlimited and unconditional aid to the able-bodied. The current shelter policies of many cities mire young adults in the dependent and antisocial culture of the underclass. By now we should know better than to provide cures that simply make things worse.

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A multibillion-dollar radon scare

BEN BOLCH & HAROLD LYONS

MOST AMERICANS know little about radon. Despite this fact, or perhaps because of it, America is falling into a radon panic. Spurred on by the media, Americans have grown increasingly fearful that mysterious but deadly gases lurk in their basements. Radon detectors of doubtful worth are peddled at corner drugstores, and books such as Linda Mason Hunter's *The Healthy Home* teach us how to avoid radon's terrors.

The radon scare has benefited regulators as well as entrepreneurs. It has allowed the Environmental Protection Agency (EPA) to begin regulating one of our last bastions of privacy, the home. And many other government agencies have gotten into the act: the Departments of Energy, Housing and Urban Development, and Veterans' Affairs; the Federal Housing Authority; and even the National Park Service. Unbeknownst to the public, however, the scientific evidence for the radon alarm is far from compelling.

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Fact and fancy

Radon is a naturally occurring radioactive gas, derived from uranium deposits in the earth. Its surface concentration varies from place to place because of differences in soil structure, the presence of cracks or fissures in the earth, and other geological factors. Radon tends to accumulate in mines and caves, so that miners may be at greater risk from radon-induced lung cancer than above-ground workers. Nevertheless, radon can be detected in at least minute quantities virtually everywhere on the face of the earth.

The half-life of the longest-lived radon isotope is less than four days, and the adverse health effects of radon exposure come not from radon itself but from certain isotopes created during radon decay. These isotopes are referred to as "radon daughters"; the most prevalent of them is polonium, which is chemically reactive and has the ability to stick to the lining of bronchial passages. Like many other naturally occurring products (such as salt), these isotopes can be fatal in sufficiently large dosages. The question is not whether radon daughters can cause adverse health effects, but rather how large a dose of them distributed over what period of time is needed to cause such effects. Because radon can become concentrated in closed above-ground spaces such as homes, the public-policy question is whether the radon exposure from ordinary living in the typical home endangers public health. Indeed, a more recent question is whether low concentrations of radon might actually be beneficial.

The radon scare in the United States began in the 1970s when the Public Health Service discovered that high levels of radon were accumulating in homes built over uranium mill tailings and land reclaimed from phosphate mines in Florida. The concern became full-blown in 1984 when a nuclear-power engineer named Stanley Watras set off nuclear monitors at his job because of his exposure to high radon concentration in his Pennsylvania home. The media attention given to this incident led to an immediate concern that the radon concentrations in other homes could be high enough to pose a public-health hazard. By the mid-eighties the radon scare had passed into full-blown media sensationalism with the appearance of such feature stories as "The House that Glowed" (*Health*), "Why Did My Sister Get Lung Cancer?" (*The Saturday Evening Post*), and "The Colorless Odorless Killer" (*Time*).

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It is difficult, however, to assess the hazards of exposure to radon. Because controlled experimentation is not an ethical way to judge the effects of radiation on human beings, statistical data must be interpreted and used to predict the probable consequences of exposure at low levels that have never been experienced under controlled circumstances. If high levels of radon can lead to lung cancer in miners, do levels that are considerably lower than those found in mines cause any appreciable harm? Interpretation of modern data on miners, furthermore, suggests that there may be some synergistic interaction between smoking and radon exposure. Should public policy even attempt to protect smokers, since their smoking activity is voluntary and done in the face of health warnings?

Given these uncertainties one might, like several radon alarmists, adopt the stance that virtually no radon can be allowed as a matter of public-health policy. Studies on the effects of background radiation on human populations, however, tend to undermine the zero-tolerance stand on radon and other natural background radiation. The High Background Radiation Research Group, publishing in *Science* in 1980, reported the results of a massive study of Chinese living in two different regions, one with high natural background radiation and one with low. In all more than 140,000 people were studied—about 70,000 per region. The whole-body exposure to natural radiation experienced by inhabitants of the high-radiation region was more than two times that experienced by inhabitants of the other region.

The China study is important because it allows contrasts to be drawn between two populations that are similar in most respects, except for greatly different levels of exposure to natural background radiation. Thus the study approximates the conditions of a controlled experiment. Furthermore, since several thousand people in each region reported that their ancestors had resided in the same area for over sixteen generations, the study is capable of assessing any long-term genetic difference between the two populations.

The findings of the China study do not support the view that differences in natural above-ground background radiation have any appreciable short- or long-term health consequences over the range of exposure studied. In the research group's words, the study "did not demonstrate any significant difference between inhabitants living in the high-background and control [low-background]

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areas...." The authors go on to say that perhaps a larger sample size is needed to show any adverse health effects, but one suspects that this caveat is merely a way of asking for more research funding; it is difficult to imagine, from a statistical point of view, any change in results from a study even more massive than the one conducted.

The China radiation study illustrates a vital point in the radon controversy: the effect of radiation exposure is probably nonlinear. In other words, an incremental halving of exposure, say, does not necessarily lead to an incremental halving of the incidence of such diseases as lung cancer. The China data clearly indicate that a halving of radiation exposure—at least within the range studied—could yield no significant health differences at all. In fact, some recent animal investigations also tend to show that the health effects of low levels of exposure are much less than would be predicted linearly from higher levels of exposure. In short, it is questionable whether the health effects of high radon-exposure levels can be extended linearly to low levels of exposure.

Statisticians view simple linear extrapolation as a naive way to predict most phenomena. It would not be very effective, for example, to draw a straight line through the Dow Jones Industrial Averages of today and yesterday and to extend that line to predict tomorrow's Dow. Experience would soon prove that such a technique almost never works. In most cases, therefore, linear extrapolation is used only by the naive or when so little information is available that no other technique seems possible.

But linear extrapolation is exactly the technique that the EPA uses to predict the health effects of low levels of radon exposure. A paper by J.S. Puskin and Y. Yang, both of the EPA, illustrates the technique: the EPA relative-risk model "assumes that the incremental risk of a given effect (e.g., lung-cancer mortality) associated with a given exposure is linearly proportional to the baseline rate of the effect in the population." The EPA projects the consequences of low-level radon exposure by linearly extrapolating from the consequences of high-level exposure.

Based on this method, the EPA has concluded that it is dangerous to live in a home whose basement or foundation contains 4 picocuries (pCi) of radon per liter of air. The fact that this hazard level is determined by linear extrapolation is not its only flaw; since the radon measurement is short-term and is taken in the basement or foundation of a house, it may have no relation to the levels actually experienced in living areas or by people who do not

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spend much time in their homes. The EPA claims that its methods of extrapolation and measurement are merely conservative, but one suspects that it has stuck by its original action level in order to avoid embarrassment. The EPA set the 4-picocuries-per-liter standard years ago for homes located on uranium tailings; since a great deal of money was spent to clean up these homes, there would be many red-faced bureaucrats if the EPA changed its recommendation at this late date.

How much radiation is 4 pCi per liter? Unfortunately, there is no direct conversion between millirems and picocuries, so the EPA standard cannot be compared directly to the China data. Picocuries measure the number of nuclear disintegrations per second, while millirems measure the biological consequences of radiation. If one imagines a rainstorm, the difference is roughly similar to that between the number of raindrops per second and how wet one gets. The complicated multistep decay of radon prevents any direct comparison of the two measures.

Still, 4 picocuries per liter is not very much. In the U.S., an ordinary glass of drinking water contains about 0.3 pCi of radioactive material, while a glass of milk contains about 18 pCi. The radiation levels in the China study were much higher; according to the research group's estimates, the ground concentration of radium-226 isotopes in the high-background area was between 1,700 and 2,000 pCi per kilogram of soil, while the concentration for the low-background area was between 300 and 900 pCi per kilogram. Indeed, there seems to be no unusual incidence of lung-cancer deaths among U.S. uranium miners when exposures are below 12,000 picocuries per liter of air. One does not have to know what a picocurie is to know that 12,000 is a lot bigger than 4.

Douglas Brookins, a geologist at the University of New Mexico, attempts to defend the EPA standard in his recent book *The Indoor Radon Problem*. The book is an excellent example of a radon scare piece—it is superficially plausible so long as the fine print is ignored. Brookins claims, for example, that between 1 and 5 percent of those living in houses with 4 pCi of radon per liter of air will die of lung cancer. This prediction, of course, is based on the usual linear extrapolation; it also presumes that people spend their lives at the point of radon measurement—the basement. Reading the fine print, moreover, we learn that the people in question are assumed to live in the same house for seventy years and to spend 70 to 80 percent of their time in it. Confronted with such a grim

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existence, one might be tempted to take up smoking, perhaps multiplying the radon risk. That is especially true if one is unfortunate enough to live in North Dakota, a state with one of the nation's highest background-radiation levels. North Dakotans have the highest average longevity in America, and so they might actually have to live out the whole of their somber seventy years under the threat of radon.

It should come as little surprise that the EPA's 4-picocuries-per-liter action level is likely to be very costly. A recent EPA study of seven states indicates that nearly one-third of the homes exceed this level; the EPA recommends that the owners of these homes install vents and other remedial devices in order to lower radon levels. If these figures stand up to further sampling, and if modifications to homes cost between $500 and $5,000 each, the total bill for fixing America's radon "problem" could be in the range of $10-$100 billion. Even if the total cost is half this amount, the expenditure is still so staggering that the EPA is said to fear a homeowner's movement, on the heels of the savings-and-loan crisis, for a monumental government bailout—a new kind of Superfund. Even without a bailout, the government would have to pay a substantial sum to eliminate radon from public buildings. Half of the schools recently sampled by the EPA, for instance, were found to have problem levels of radon in at least one classroom. Cleanup costs could easily run as high as $10,000 per school, especially in view of the EPA's stated desire to lower radon levels in these classrooms below one pCi per liter of air. Perhaps worse, if we follow the EPA's suggestion that homes be required to be certified as radon-safe prior to their sale, an unknown fraction of the American people's capital stock might be destroyed; it is likely that many homes could not meet the EPA action level even after modification.

Scientific opposition

Fortunately, an impressive array of scientists is taking a stand against the EPA on the radon question. Anthony Nero of Lawrence Berkeley Laboratory, for example, estimates that only 2 percent of U.S. homes exceed a level of 8 picocuries per liter, one that he finds would place the radon hazard on a par with the danger of falls or of fires in the home. Other scientists—such as John Harley, retired director of the Department of Energy's Envi-

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ronmental Measurement Laboratory—agree that the EPA action level should be raised by a factor of two to five.

Still other scientists believe that low levels of radon exposure may actually be beneficial. Bernard Cohen of the University of Pittsburgh examined data on lung-cancer and radon exposure in over four hundred counties in the U.S.; he concluded that lung-cancer deaths were significantly *lower* in high-exposure areas than in low-exposure areas. Critics contend that Cohen's data are faulty, but low doses of some toxic substances actually do stimulate the immune system. This effect is called "hormesis," and it has been known since the nineteenth century.

The possibility that low levels of radiation may have hormetic effects has received serious scientific discussion. But even if low levels of radiation are not beneficial, they seem at least to be less harmful than is often supposed. According to Leonard Sagan, a proponent of the possibility of radiation hormesis, "accumulated experience has tended to reduce fears of the mutagenic effects of low-dose ionizing radiation." Sagan notes that human beings are about one-fourth as sensitive to radiation as was previously expected from forecasts using studies on rats, that statistical studies of survivors of atomic bombing have failed to produce statistically significant results, and that the ability of human DNA to repair itself is indeed remarkable. In other words, even if the claims of radiation hormesis are not borne out by future studies, the zero-tolerance model is becoming increasingly suspect.

Columnist Warren Brookes reports the following conversation with Bernard Cohen:

> However, as Dr. Cohen told me, "You understand, radon is the most serious risk with which the EPA is now dealing." "But, Dr. Cohen," I said, "you just got through telling me that residential radon poses no public health risk!" "That's right," he said.

Mankind has lived with natural radiation for millions of years. We should be allowed to continue to do so, peacefully, without fear, and without a radiation inspector at the door or a radiation detector in the basement.

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On the higher learning in America: some comments

THOMAS SOWELL

THE MOST fundamental misconception of many leading institutions of higher learning is that they are primarily institutions of higher learning. Money talks in academia as elsewhere, and what that money says on most campuses is "do research." Johns Hopkins University, for example, has about 3,000 undergraduates. They pay about $14,000 a year in tuition. If *every* undergraduate at Johns Hopkins paid full tuition, accepting no financial aid, that would add up to $42 million—approximately one-tenth of what Johns Hopkins receives in federal research grants alone.

There are more than a dozen university campuses that receive more than $100 million each from the federal government for research. These include, obviously, public as well as so-called private universities. It would be naive to expect teaching, and especially the teaching of undergraduates, to be the primary concern of institutions whose money and renown come primarily from research.

This article is adapted from Dr. Sowell's remarks at the Harvard Club of New York on the occasion of the publication of his book Choosing a College *(Harper & Row, $6.95). The discussion was sponsored by the Manhattan Institute and was held on September 14, 1989.*

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Teachers and researchers

Considerable evidence, both impressionistic and statistical, suggests that teaching—education—is one of the lower priorities at many places that we continue to call institutions of higher education.

Among the impressionistic evidence are the comments of students in such publications as *The Confidential Guide to Courses at Harvard-Radcliffe* or *Princeton's Student Course Guide*. Words like "disorganized," "rambling," and "incoherent" appear again and again in descriptions of professors' lectures at both these institutions. The words of praise are also sometimes revealing. For example, "a research star who actually considers teaching worthwhile," or "one of the few professors who actually answers his own telephone."

Outsiders' observations paint a similar picture. An accreditation panel visiting Harvard in 1987 concluded that "only the most aggressive and persistent undergraduate" was likely to have any "faculty-student interaction outside of the classroom" with senior Harvard professors. *Time* magazine characterized these professors as "too engaged in their own research, too busy with outside consulting or just too lordly to bother with anything so trivial as an undergraduate."

Not all the faculty are this way, of course. One who apparently was not was a young faculty member who won a teaching award at Harvard two years ago. Today he teaches at the City University of New York. His contract was not renewed at Harvard. When asked, before he departed, what he would do differently in the future, he said that he would spend more time on research. Anyone who has spent hours organizing a single lecture knows that this young man's future teaching may well suffer from the reordering of his priorities, even though his career will benefit. None of this is peculiar to Ivy League schools. Anyone who is familiar with Berkeley, or UCLA, or many other research universities, will recognize the pattern. Some professors at such institutions regard the Teacher of the Year Award as the kiss of death. There is some dispute about this, and to avoid controversy I won't enter that dispute. I will, however, say that I personally know three different professors at three different institutions who have gotten the Teacher of the Year Award and were then told that their contracts would not be renewed.

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There was also a young colleague of mine at Cornell twenty years ago who was an outstanding teacher, though he was fortunate enough to avoid getting any awards for it. When passing by his office one day I noticed stacks of paper on the table outside; I looked at them and found all sorts of homework assignments, extra material to be handed out in class. As I looked at it, I was just amazed at the ingenious examples he had thought of, and all the superb ways of getting across the basic concepts of economics. I thought that this must take an awful lot of time—and immediately after that I thought that his contract would probably not be renewed. He is now working for the Federal Reserve Board.

The question as to whether our leading institutions of higher education should be renamed institutions of higher research cannot be settled on the basis of anecdotes alone. Among the more striking statistical pieces of evidence are studies of undergraduates who go on to Ph.D.s. Some of the leading Ph.D.-granting institutions in the country have fewer of their own undergraduates go on to get Ph.D.s than many little-known liberal-arts colleges. For example, a smaller percentage of the graduates of Yale, Stanford, Berkeley, and Columbia have gone on to receive Ph.D.s than the graduates of Wabash College, Harvey Mudd College, Cooper Union, or New College in the University of South Florida.

There are some problems with these statistics, as different colleges draw on different social classes, people with different interests, some of whom go on to professions not requiring a Ph.D. But even when you make all allowances for that, the pattern is clear and pervasive: the smaller independent schools are greatly overrepresented among the places where a high percentage of students go on to receive Ph.D.s. These places are, of course, teaching institutions. Even among the research universities, the universities that are smaller (in terms of undergraduate enrollment) have much better records than the larger ones.

The number-one university in this respect is the University of Chicago, where, over a thirty-year period, approximately 25 percent of all graduates went on to receive Ph.D.s. Harvard had 16 percent. None of the top seventy institutions in this regard had as many as 12,000 undergraduates or as many as 20,000 students total on campus.

This means that Berkeley, always ranked among the top institutions in the country, is not even among the top five dozen when it comes to the proportion of its own students who go on to receive

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Ph.D.s. Schools like Eckerd College, Fisk, and Birmingham-Southern rank above Berkeley in that respect. So do some of the smaller campuses in the University of California system: UC-San Diego, UC-Irvine, UC-Riverside, and so on. It's hard to see what advantage any of these other less-distinguished campuses have over Berkeley and UCLA, other than the fact that they are smaller and can therefore teach students.

Matching schools with students

Against this background, it's especially ironic that so many high school students and their parents are so desperate to gain admission to a relative handful of top-level colleges—or rather, big-name colleges and universities. They're not necessarily top level.

Recently I was on a radio talk show, and a frantic mother phoned in to ask me to suggest some gimmicks that her son could use to get the attention of admissions-committee members at some of the "best colleges," as she put it. She was deadly serious. In fact, you could hear her hyperventilating. I felt sorry for her and I felt even more sorry for her son, with a mother like this on his back. It did no good to tell her that there really is no such thing as a "best college." There are many colleges that are best for a particular individual, but not for that individual's brother or sister or neighbor or classmate. She wanted to know how to get into those best colleges. It did no good to tell her that the point is not to rank colleges but to match colleges with individuals; she didn't want to hear that.

I tried to tell her the student does not get a better education if the class is moving at a faster pace than he or she can keep up with. He may be perfectly capable of learning the material at a normal pace and yet be completely lost when it's covered at a pace that he can't follow. Sometimes it's just a matter of not having enough reading speed or not being as fast in grasping mathematical principles. This is not to say that the student is incompetent in either area. If you have a math score of 720 on the SAT, that puts you in the top 1 percent nationwide. It puts you in the bottom quarter at Cal Tech.

Even those who understand that big names and top ranking do not make a college best in any educational sense often seek such institutions from a career point of view. The argument is that when you've gotten a degree with that magic name on it, then the doors open for you in the world and you have higher income and so on. I'm always fascinated with studies of the income differences be-

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tween graduates of one college and another college. I'm sure that my graduating class at Harvard had a very high average income. We had a Rockefeller and the Aga Khan. The rest of us didn't have to do anything. I try to tell people that you will not become any taller by joining the basketball team, even though basketball players are taller than other people.

If it's money that you want, a degree in engineering from Georgia Tech will get you more money than a degree in history or English from Harvard. If you're thinking of going to a top medical school, law school, or business school, those who run these schools know what kind of education the different colleges have. They are not going to be dazzled by big names. Various deans from the leading schools of engineering were asked to rate the undergraduates who came to them from different institutions. They ranked the students from Rose-Hulman Institute and from Harvey Mudd College above the engineering students at Princeton. When deans from the leading law schools were asked to rank the undergraduates who came to them from different colleges, they ranked the students from Davidson College above the students from most of the Ivy League colleges. If you're trying to get in and impress those people, you do it by having a solid education.

The prestige of the postgraduate school itself is obviously important in the world. But after you've gotten your MBA from Wharton, or your medical degree from Johns Hopkins, or your engineering degree from MIT, no one is going to ask where you went to college before that. In emphasizing the importance of teaching at teaching institutions, I don't mean to suggest that research is necessarily a dereliction of duty. Institutions serve multiple purposes, and of course it depends on what you're looking for. But if what you're looking for is the best undergraduate education, then you have to realize that other people have very different priorities and very different agendas.

Superficial reforms

Those who want to restore teaching to a higher priority within the colleges and universities often misconceive the very nature of teaching, and promote some superficial reforms that create more problems than they solve. For example, two perennial panaceas for teaching are student evaluations and classroom visits by administrators and colleagues to monitor what is going on. Student evaluation can be very valuable in some kinds of situations—for

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example, where the professor is chronically late for class, ill-prepared, not available for questions, or guilty of all other kinds of gross misconduct and negligence. There are many professors like that at all sorts of institutions. But what about the positive aspects of teaching? How will the student evaluate this crucial qualitative dimension?

By and large the student cannot. Students know how well the class was conducted; they know whether the lectures were clear, interesting, plausible. They cannot know how well the material in the course was selected from a much larger body of material in the same field. If they could, there would be no point in their taking the course.

Years ago, when I taught at Douglas College in New Jersey, there was a young woman in my class whose boyfriend was taking the same course, Labor Economics, at Princeton. They were amazed that there was absolutely not a single topic in common between these two courses with the same name. Now, I happened to know who was teaching that course at Princeton at the time, and it didn't surprise me then or now. But my young student had no way of knowing who had completely misconceived what labor economics is all about. It would be self-serving of me to point out that labor economics is no longer taught as it was at Princeton at that time. On the other hand, if you wanted to believe that it was I who completely misconceived labor economics, the students had no way of knowing that either. If they went on to postgraduate work they might know, but chances are they don't know to this very moment why there was absolutely no overlap between those two courses.

There is also the question of how much the student learns—which is ultimately the purpose of teaching. When I taught at Howard University a couple of years later, I was teaching a course called Intermediate Price Theory. I noticed that a substantial body of the students followed right along with what I was saying and seemed to have no problem with it, but there was another significant proportion who seemed as if they didn't have a clue. So in my office, I would ask some of these students, "Who did you have for introductory economics?" Some would say a certain professor Smith (not his real name), and they would lavish praise upon him. In fact, the department's biggest problem each year was to find a room big enough for all the students who wanted to enroll in his course. Most of those students were flunking Intermediate Price Theory.

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There was another professor, whom we can call Jones. His ex-students would say, "Oh God, we had Jones," and they would launch into a denunciation of the man, vehemently in many cases. Every student in my class who got a "B" or above at that point had studied under Professor Jones. One professor had taught them, and the other professor had impressed them. But how could they have known what was left out of Smith's course and why that was more or less important than what was covered in Jones's course?

The idea of having monitors in the classroom, which is always very popular with administrators, assumes that teaching is classroom management. Some of the best teachers are people who are terrible in the classroom. I had a professor at Harvard who really changed my professional career positively, but as a classroom performer, he was terrible. He would wander into the classroom—you couldn't say that he walked purposefully into the classroom; it was as if he had taken the wrong turn and knew of no graceful way to back out again. As he lectured, he would walk over to the window and become fascinated with the cars in the traffic circle. Then after a while, remembering that we were still there, he would turn and say something more out of politeness than anything else. But the fact is that this man had a first-rate mind, and he recognized other first-rate minds. And his syllabus introduced us to first-rate minds.

As a result of reading one article by George Stigler on Ricardian economics, I decided that I would major in the history of economic thought, and that indeed I would study under George Stigler. So I applied for graduate school to go to Columbia where Stigler was listed in the catalog, and only when I got there did I learn that Stigler had gone to Chicago. And so the next year I went to Chicago. But there were hundreds of articles about Ricardian economics; why did the professor choose the one by Stigler? Because he understood that Stigler could cut through the murk, devastate fallacies, and show what Ricardian economics, and economics in general, was all about. That's what teaching is all about and there are no easy ways to reach it.

Question: One of the things that you talk about in your book is the mismatch between the student and the school. There have been so many incidents of overt racism on campus these days; do you think that contributes to it?

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Sowell: Absolutely. I am convinced of it for a number of reasons. One is the pattern of these violent outbreaks of racism on campus. The conventional wisdom is that this is all due to the Reagan administration, to the conservative mood in the country. There are institutions that keep track of these things, and their statistics showed that there were more of these outbreaks in Massachusetts alone than in the entire South. You find them at places like Berkeley and the University of Massachusetts and Wellesley much more than you're likely to find them at conservative campuses like Hillsdale, or Whitman, or Davidson.

There is also international evidence. I'm working on a book on preferential policy internationally and wherever those policies are put in, there is this backlash. The longer the policies have been in place, the worse the backlash. The worst places are India and Sri Lanka, which have had these policies for several decades. Sri Lanka is an especially sad case because they began with what were regarded as model race relations—far better, let's say, than they've been in the United States. Within a decade people were burning each other alive in the streets. The civil war got so bad that some political groups began to have a vested interest in the polarization, as such, quite aside from the substantive divisions.

The notion that we seem to have in all our foreign policy—that no matter what the strife is about, you can always come in with some nice compromise that you've worked out back in the State Department and give it to both sides and they'll say, "Hey, why didn't we think of this?"—is naive. No, there are people in Sri Lanka who have a vested interest in the continuation of the strife because that serves their power; on both sides, among the Tamils and the Sinhalese, there are factions who are killing numerous members of their own group because these members want to compromise. This is not one of the happier examples.

India has gone this route as well. There is a tremendous amount of recurring violence over these preferential policies. In the state of Gujarat alone as many as two hundred people have been killed in riots set off by medical-school quotas. Ironically, in a recent year, there were only six places set aside in the quotas—and forty-two people died in riots over those six places.

Some people have argued that the objection is that one group is losing something to another group and that this is the fundamental reason for the backlash, but that doesn't stand up to the evidence either. There are many programs that provide special benefits to

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many groups, in India as in other countries. But it is the programs that take the specific form of preferences and set-asides that cause most of the violence and most of the litigation.

In the United States as well, there are campuses where the Asian students take far more places than the blacks or the Hispanics, or sometimes the blacks and Hispanics put together, and yet there is not the same degree of backlash against them because of the manner in which they took those places. There's an old song that says, "It ain't what you do, it's the way that you do it." There are whites who have no problem with Bill Cosby making tens of millions of dollars a year, but who would soar through the roof if a black kid is brought in under a preferential program at a minimum wage to be an assistant apprentice.

Question: Let me propose another possibility—that these preferential programs did have reasons when they were initiated back in the sixties and that there's a historical gap. The young people today are not aware of why the programs were established. And black students as well as white students really have no history of why these things started. All they see is the present, which is that some students are getting more than others. Maybe we wouldn't have some of this strife if the programs were at least put in a historical context for all the students.

Sowell: That's one possibility. But it seems to me that the pattern of the outbreaks doesn't fit that explanation. Because on campuses that have all sorts of ethnic-studies programs to explain all of these things to all sorts of people—those are the campuses where it's worse.

If you look at places where people aren't explaining these sorts of things, there you don't find the outbreaks to the same degree. In any case, the students do know that live people are being sacrificed because of what dead people did. I don't think that there's any way to reconcile people to that very easily.

One of the problems with trying to have a right proportion of the people in various places is that there are no "right" proportions. There is no "right" proportion of Democrats and Republicans in Congress. That is, there is no proportion that will be mutually acceptable to Democrats and Republicans. All that can be mutually acceptable is a *process*. If you both agree that you will abide by the results of these processes, then, whatever the results, both can rec-

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oncile themselves to those results. But there are no "right" proportions.

One of the sad things, and again this is an international pattern, is that people talk as if this proportional representation would exist in the absence of institutional bias. But those who have actually done studies, sometimes for many years, of countries around the world have found no such proportional representation anywhere—in sectors of the economy, levels of the economy, institutions, or what have you.

A woman named Cynthia Enloe at Clark University did a study of military and police forces around the world and their ethnic composition. She could not find a country where either the military or the police forces were ethnically representative of the society. There were no such countries. Very often you will find one group overrepresented in the Navy, and another group overrepresented in the Army. Sometimes it is a majority that's overrepresented, sometimes it is a minority. At one time in Malaysia over half the Air Force pilots were Chinese. In the Soviet Union a majority of all the sergeants are Ukrainian.

You could go through the whole list everywhere. Anyone who watches basketball knows that basketball teams are not ethnically representative of the United States.

It's not even true by position. That is, if you look at baseball, an absolute majority of all outfielders are black. It's hard even to think of a black third baseman. The last one I can remember was Jackie Robinson. At the end of his career as second baseman they shifted him over to third.

Question: In the process of researching *Choosing a College*, did you have occasion to look at the effect of any of these quotas or special standards on the military academies?

Sowell: Only in a minor way. Actually I looked this up some years ago, or rather it came to me through a leak from the Air Force Academy, which did not cooperate in my research. The Air Force Academy had an internal memorandum marked "Confidential—for your eyes only," which came to my eyes; it gave different cutoff scores for blacks, whites, Asians, and Hispanics for admission to the Air Force Academy. The Asians had to meet the same standards as the whites, by the way.

There was also a note at the bottom that those who are athletes may be admitted with scores that did not meet these standards. I

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don't remember what the standards were exactly, but they were not impressive standards. You could get in hundreds of points below the average of the U.S. Air Force Academy if you belonged to the right group.

I never saw any data on how many of each of these different groups had survived the rigors of the academy. Even those data, which are usually unavailable, are becoming less and less reliable as you get what someone has called "affirmative grading," which is also a worldwide phenomenon. In Soviet Central Asia the professors are under pressure to pass more central Asians. In Israel, at one time at least, there was a ruling that you could not leave back in the public schools a disproportionate number of Sephardic Jews as compared to the Ashkenazi.

One of the many illusions of these policies is that we have such total control over them that we can say that this will be a transitory policy for this period, and then we'll do this, or we will have it at the stage of search but not at the stage of admission, or at the stage of admission but not at the stage of judging and graduating and so forth. And in country after country this has proved to be an illusion.

I think I'll leave you with the classic example of Pakistan, which back in the 1940s instituted preferential programs for the East Pakistanis because they were greatly underrepresented in all sorts of occupations. But like so many other preferential policies, they began to spread from the East Pakistanis to other groups, further and further removed from the original rationale. The preferences were supposed to last five or ten years, but they kept on being extended; this all started in the forties and back in 1984 the late president Zia extended them until 1994—even though by 1984 East Pakistan had become a separate country called Bangladesh. The people who were the original beneficiaries of this program were no longer part of Pakistan, but so many other groups had piggy-backed on them that now it became politically impossible to get rid of the preferential programs.

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Understanding the savings-and-loan debacle

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IN AUGUST 1989 Congress made history when it earmarked about $115 billion to liquidate or to reorganize insolvent savings-and-loan associations (S&Ls). By far the largest single example of government financial assistance to any economic sector, the aid dwarfed the earlier "bailouts" of New York City in 1975 and of Chrysler in 1979 by factors of some fifty and eighty, respectively. How did we come to this pass? What lessons can we draw from our expensive mistake?

S&Ls were established as vehicles for home ownership. People who wanted to borrow funds for this purpose purchased shares in the S&Ls' predecessors, local building and loan societies (B&Ls). As funds accumulated, mortgage loans would be made to members who drew the winning lots or who offered the highest premiums. Savers and borrowers were often the same people. Borrowers pledged their shares to repay their loans, and periodic payments on the shares were required. The B&Ls emphasized borrowing more than saving; withdrawal of funds was subject to notification requirements and penalty fees and could be limited. As economists James Barth and Martin Regalia have written, "[I]t was not

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until the advent of federal deposit insurance for savings and loan associations in the 1930s that the taking of deposits as such became widespread."

B&Ls invested their assets almost entirely in home mortgages. In the 1920s the average contract length was about eleven years. Because their liabilities could not readily be withdrawn, the durations of the two sides of their balance sheets were probably not greatly mismatched, and the B&Ls ran little risk of being harmed by changes in interest rates. B&Ls' reserves for losses were low; state laws and regulators discouraged their accumulation, preferring that earnings be distributed to members.

Mutual savings banks (MSBs), which now are very similar to S&Ls, provide an interesting contrast. Unlike B&Ls, MSBs were established to serve generally low-income savers rather than potential home owners. MSBs originally provided conservative investment facilities for these groups; they tended to invest in "safe" marketable securities and moved gradually into mortgages. By 1930 they invested 55 percent of their assets in mortgages, 14 percent in government obligations, and 22 percent in other securities. Deposits in MSBs, like those in B&Ls, were not truly short-term investments; savings accounts could be subject to sixty-day notices of withdrawal.

The diversified and relatively conservative asset structure of MSBs, together with the limitations on withdrawals, appears responsible for the MSBs' superior survival during the Great Depression. Only eight of 598 (1.3 percent) MSBs failed; these banks had $28 million in deposits, or 0.3 percent of total MSB deposits. In contrast, of the 11,777 S&Ls operating in 1930, 526 failed (4.5 percent); the failed associations held about $400 million (4.5 percent) of the industry's $8.8 billion total assets. This disparity in performance was due to the S&Ls' investing almost entirely in a single type of asset—home mortgages—concentrated in a small geographic area. S&Ls, though, fared better than commercial banks, whose numbers dropped by 38.5 percent—from 24,970 in 1929 to 15,348 in 1934. The better experience of S&Ls appears to have resulted from the close relationship of shareholders and mortgagors, which provided strong incentives and opportunities for monitoring loans.

In the wake of the crash, the Federal Savings and Loan Insurance Corporation (FSLIC) was established in 1934, one year after the establishment of the Federal Deposit Insurance Corporation

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(FDIC). By guaranteeing the par value of shares up to $5,000 per shareholder, federal insurance effectively transformed the shares into deposits and shortened their durations. Although this change was not made as a matter of law until 1968, in practice insurance increased the mismatch between the durations of S&Ls' assets and those of their liabilities. It thereby increased the S&Ls' "interest-rate risk"; if one's assets are long-term and one's liabilities are short-term, rises in interest rates can be devastating.

Before 1950 FSLIC insurance was less liberal than FDIC insurance, as savers in S&Ls could be required to wait one to three years for cash repayment of claims. But in 1950 the two forms of federal deposit insurance were made identical, and deposit insurance was increased to $10,000 per account. Insurance coverage was increased to $15,000 in 1966, to $20,000 in 1969, to $40,000 in 1974, and to $100,000 in 1980. This near-blanket coverage virtually eliminated monitoring by depositors.

That the S&L industry's trouble was not apparent until the 1980s seems attributable to relatively high capital ratios and more stable interest rates. The capital cushion held by S&Ls gave owners and (for mutual associations) managers incentives to avoid risks that might result in failure. This cushion was built up over time, in part as a result of favorable tax laws. Until 1951 mutual associations were exempt from income taxation. The 1951 Revenue Act imposed a tax on net income, but only when surplus accounts exceeded 12 percent of liabilities were the excess retentions taxed; this exception gave S&Ls (and MSBs) considerable incentives and opportunities to increase their capital, at least up to the 12-percent level. The Revenue Act of 1962, however, limited these tax-free retentions and related them more closely to allowances for bad debts. For a thrift to qualify for income-tax benefits, it had to hold at least 60 percent of its assets in mortgages or mortgage-backed securities. Thus the tax laws helped thrifts increase their capital but kept them from diversifying out of mortgages.

The capital of S&Ls and MSBs also was supported by restrictions on the entry of competitors, which gave rise to an intangible asset—franchise value. Competition was restrained by the reluctance of the banking agencies to grant new charters, by the prohibition of interstate banking, and by restrictions on intrastate branching. Ceilings on bank-deposit interest rates also reduced competition, first from commercial banks and after 1966 from all depository institutions. These restrictions on competition, coupled

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with the growth of housing, raised the value of S&L charters and hence the amount of economic capital invested by their owners or managers.

Competition for deposits by nonchartered institutions increased in the 1970s as a result of an inflation-induced rise in nominal interest rates. Regulation Q, which put a ceiling on the interest rates that could be offered to depositors, increased the opportunity cost of keeping deposits in S&Ls and banks. Initially, Regulation Q ceilings benefited depository institutions. But the difference between the ceiling and market rates gave unregulated suppliers of similar types of savings accounts, such as money-market funds, greater incentives to develop and expand. Improvements in computer technology reduced these suppliers' transaction costs, which provided additional incentives for S&L depositors to withdraw their funds. The consequence was not only an outflow of funds from S&Ls but also a reduction in thrifts' charter values, and thus in their economic capital.

The Federal Home Loan Bank Board (FHLBB), however, assessed assets and liabilities in terms of historical cost, which does not require recognition of losses until a market transaction occurs (and sometimes not even then). Though the "economic" capital ratios of S&Ls were declining, their book-value capital ratios did not decline, and so the authorities did not react to the true picture.

Responsibility for the 1979-1981 debacle

The problems caused by this accounting method greatly intensified when interest rates increased sharply in the late 1970s and early 1980s. While the thrifts' capital cushion was sufficient to enable them to survive the increase in interest rates in the late 1960s, it was not sufficient for them to survive the increase in the late 1970s. The very sharp increase in interest rates in 1979 to nearly 20 percent on short-term obligations and 15 percent on long-term obligations far exceeded previous increases, at least in modern times. Hence the reduction in the present values of thrifts' assets, which were primarily fixed-interest long-term mortgages, was much greater than it had ever been during previous interest-rate increases. Responsibility for this situation must be shared by three parties.

One is the Federal Reserve, which allowed the money supply to grow during the 1970s at rates that caused double-digit inflation. This inflation was reflected in higher nominal interest rates. Then

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in 1979 the Fed acted to reduce inflation quickly, causing interest rates to increase sharply and unexpectedly. As a result, holders of long-term fixed-interest-rate obligations, such as mortgages, suffered massive capital losses. Thousands of thrifts became "economically" insolvent—that is, the market value of their assets fell below that of their deposits.

Elected officials—members of Congress and the President—are also responsible. Both Congress and the executive ignored the fact that large unexpected increases in interest rates would cause severe economic damage to institutions offering long-term fixed-interest mortgages funded by short-term liabilities. They also ignored the fact that this risk would be borne initially by a federally backed deposit-insurance agency. Instead, they led the public to believe that (or were led by the public to act as if) the means chosen to support housing—having specialized financial lenders and long-term fixed-rate mortgages—were not potentially costly. Indeed, Congress denied federally chartered thrifts the authority to make variable-rate mortgages, and it restrained them from diversifying their portfolios away from mortgages and savings deposits.

The third responsible party is the FHLBB, the independent agency that was charged with overseeing S&Ls. The FHLBB failed sufficiently to alert elected officials and the public to the fragility of an industry that funded long-term fixed-interest assets with short-term liabilities.

The response to the debacle

By 1982 some two-thirds of the industry was economically insolvent, with aggregate negative net worth of about $100 billion; 85 percent of all thrift institutions were unprofitable in market-value accounting terms. At this time, a number of other forces came into play. Despite a prolonged fall in interest rates that greatly improved the solvency of the industry as a whole, the crisis worsened as many decapitalized institutions were permitted to substitute credit risk for interest-rate risk—in other words, to try to raise money by lending to people who were likely to default. The adoption of effective remedies was delayed until it was too late.

When Congress increased federal deposit insurance from $40,000 to $100,000 per account in 1980, the responsibility for monitoring S&Ls' risk taking was further shifted from depositors to the FSLIC. Deposit insurance not only prevented a depositor run on the insolvent and weak institutions, but also gave the institutions

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the opportunity to grow or to gamble their way out of their problems by attracting deposits and investing the proceeds in high-risk, high-yielding loans and other ventures.

Investors' monitoring of risks also was reduced by advances in telecommunications and computer technology, which allowed individual institutions to attract large amounts of money quickly from anywhere in the country. Where once deposit growth at individual institutions generally was restricted to funds available from local market areas and therefore depended more on the institution's risk profile, institutions could now expand their assets many-fold regardless of their financial strength.

Further regulatory changes exacerbated the crisis. The Garn-St Germain Act of 1982 and legislation in some states granted S&Ls the authority to make loans and investments other than long-term residential real-estate loans, such as consumer and commercial loans and equity investment in real-estate development. Like the liberalization in 1980 (and the eventual removal in 1986) of the ceilings on deposit rates, the deregulation of thrifts' activities was a response to market forces; it permitted thrifts to diversify more and to reduce their exposure to interest-rate risk. But this change also gave S&Ls the ability to take more credit risk faster than was previously possible.

As the industry's capital declined, the FHLBB also progressively reduced capital requirements in order to avoid having to reorganize deficient associations. In addition, the FHLBB adopted regulatory accounting principles that transformed many S&Ls—insolvent according to an established set of generally accepted accounting principles (GAAP)—into officially solvent institutions. Thus economically insolvent institutions were permitted to continue to operate, with costly consequences both for other associations and for the FSLIC. Indeed, 53 percent of all the S&Ls whose failures were resolved in 1988 had been insolvent under GAAP for three or more years, and nearly 70 percent had been insolvent that long on a tangible capital basis. Economically insolvent institutions, with nothing to lose, had incentives to take more risks. Many, moreover, were generating insufficient revenues to pay the interest on deposits and to meet daily operating costs. To avoid regulatory insolvency, they offered high interest rates to outbid others for deposit funds. The deposit inflows were then used to pay deposit outflows, interest rates on deposits, and even operating expenses—a true "Ponzi scheme" of borrowing from Peter to pay Paul, made

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possible by federal deposit insurance. The higher deposit rates forced competing institutions also to pay higher rates in self-defense, increasing their costs and weakening them financially.

The Federal Home Loan Bank system and the FSLIC were not prepared for the increases in S&L risk taking and insolvencies. These agencies were geared to deal with the relatively calm environment of an earlier era. The sudden increases in allowable activities and risk taking found them greatly understaffed, undertrained, and underorganized; thrift supervision was grossly inadequate. Some associations were not examined for three or four years, and violations identified by field examiners frequently were not pursued by their supervisors. In addition, the FHLBB did not expand its examination staff to deal with the increasing scope and complexity of S&L operations, in part because of its own inadequacies and in part because it wanted to cooperate with Reagan administration efforts to restrain the growth of federal employment.

The problem was exacerbated in 1983 by the Little Rock Federal Home Loan Bank's move to Dallas. Only eleven of the forty-eight members of the supervisory staff were willing to make the move. As a result, the annual number of examinations in this district—which was in the heart of the problem area—declined from 261 in 1982-1983 to 183 in 1983-1984 and 173 in 1984-1985 before increasing again to 283 in 1985-1986.

With such inadequate supervision, it is not altogether surprising that massive fraud occurred at some institutions, particularly those purchased with minimal capital by promoters and real-estate developers when the S&Ls were already nearly insolvent. Many of the S&Ls' owners and managers viewed the institutions as their own personal "piggy banks"; among other things, they falsified documentation to justify extending loans to themselves, their families, and their friends in amounts far in excess of the economic values of both the projects being financed and the associated collateral. They also made loans that provided for immediate interest prepayments, which were then reported as earnings to the association and used to pay dividends. A particularly outlandish case is that of the Vernon S&L in Vernon, Texas, which had $2 billion in outstanding loans when regulators finally took it over in 1987. Ninety-six percent of these loans were in default. The other 4 percent, moreover, were mostly deferred-interest loans on which the first interest payment had not yet come due—which means that the borrowers had not yet had the opportunity to default!

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These abuses were exacerbated by sharp downturns in the economies of some local areas—particularly those dominated by energy or agriculture, such as Texas, Oklahoma, and Louisiana. These downturns lowered the values of residential and commercial real estate; as a result, mortgage defaults increased and the value of repossessed real estate decreased sharply. Risk-taking S&Ls had been attracted to these areas by economic booms, and they suffered greatly from the downturns.

Responsibility for the ineffective reaction

Some analysts blame deregulation for the debacle. The Depository Institutions Deregulation and Monetary Control Act of 1980 and the Garn-St Germain Act of 1982 accelerated the decontrol of the deposit interest-rate ceilings, and enabled thrifts and banks to bid—either directly or through brokers—for deposits from investors outside their market area. These laws, like the state legislation permitting thrifts to expand into commercial and consumer loans and to make direct investments, have been criticized as causing the great losses taken by the FSLIC. But the evidence does not support these charges. While some analysts have persuasively argued that the new powers increased the risks taken by institutions with inadequate capital, no evidence shows that they made failure itself significantly more likely. The removal of the Regulation Q ceilings, moreover, was inevitable. Their continuation would have caused investors to continue withdrawing their deposits and would have penalized savers who could not take advantage of such alternative investments as money-market mutual funds.

"Deregulation," we should note, does not mean no regulation at all. It simply means substituting market regulation for government regulation. For market regulation to work, however, market discipline must be permitted to function. One of the major reasons for the size of the S&L crisis is that authorities were reluctant to enforce some forms of market discipline—in particular, insistence on adequate capital reserves and the prompt liquidation or reorganization of economically insolvent S&Ls—that the market could not enforce itself under the deposit-insurance system.

Many groups share responsibility for the large losses that will be borne by U.S. taxpayers. Before the debacle, Congress prohibited S&Ls from offering variable-rate mortgages, which could have mitigated the damage from the 1979-1981 interest-rate increase. After the increase occurred, Congress failed to respond quickly by

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providing sufficient funds to enable the regulators to close, merge, or reorganize insolvent institutions under new management. In 1987, when the Administration asked for an inadequate appropriation of $15 billion to recapitalize the FSLIC, Congress authorized only $11 billion. At the same time, to prevent the closure of S&Ls, it decreed mandatory forbearance for many economically insolvent associations in the Competitive Equality Banking Act of 1987.

As a result, the FSLIC was handicapped in resolving insolvencies and was forced to sell several bankrupt institutions to new investors at terms that sometimes were less advantageous to taxpayers than cash compensation for depreciated assets. These terms included issuing promissory notes on the FSLIC, granting tax breaks at below the cost to the U.S. Treasury, guaranteeing returns on assets, and waiving such regulatory requirements as minimum capital standards. Negotiations for the sales were complex and frequently carried out in secret, with few bidders and no public disclosure. Later announcements of these "deals" frequently gave the appearance of impropriety and caused sufficient public indignation to kill the program and to discredit the FSLIC and the FHLBB, further reducing the regulators' effectiveness.

The Reagan administration also contributed to the debacle. There is reason to believe that the Administration was unwilling to accept the very large increase in the federal deficit that recognition of S&L losses by 1982 would have required. While it was reasonable for the Administration to expect that interest rates would decline below the 1979 peak, it should have been clear by 1985 that much of the massive unbooked capital losses taken by S&Ls was attributable to credit risk and could not be reversed through monetary policy. The responsible position would have been to insist that the FHLBB recognize the S&L insolvencies and the insolvency of the FSLIC, to request an appropriation from Congress to cover the losses, and to close or to supervise very closely the insolvent institutions. Instead, the existence of the massive problem was denied until 1989. (In fact, neither political party made the S&L crisis an issue during the 1988 presidential campaign, which helped delay corrective actions.)

The FHLBB is also culpable. The Bank Board officially recognized only a few of the many insolvencies caused by the 1979-1981 interest-rate increase. It forbore from closing economically insolvent S&Ls, instead reducing its capital requirements and using accounting gimmickry. The FHLBB did restrict practices that its

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chairman, Ed Gray, considered particularly risky, such as direct investments and brokered deposits; no credible evidence in support of Gray's views, however, was presented or discovered by independent studies. The FHLBB also exhorted S&Ls to make adjustable-rate mortgages the primary means of reducing interest-rate risk. After a costly delay the FHLBB increased its examination staff by transferring supervision responsibility to the Federal Home Loan Banks. But it did not require S&Ls to report capital on the basis of market values; hence it continued regulations that permitted economically insolvent institutions to remain open and to increase their risk exposure and losses. In fact, until restrictions on growth were instituted in the late 1980s, the FHLBB encouraged S&Ls to grow out of their problems by taking on new higher-yielding loans to offset their older lower-yielding fixed-rate mortgages.

Further blame can be attributed to the S&L industry itself. The industry made large political contributions to members of Congress in return for the postponement of legislative action that would have increased deposit-insurance premiums and other payments, reduced thrifts' independence, and resulted in the removal of managers and owners of insolvent or nearly insolvent institutions. Because the dollar amounts at stake were so massive, contributions were huge even by Washington standards. Many congressmen, who may not have been fully aware of either the technical roots of the problem or its severe consequences, delayed potentially corrective legislative and regulatory actions. Such congressional behavior was an important factor in the 1989 resignations of both Speaker of the House Jim Wright and Democratic House Whip Tony Coelho; it also tarnished the reputations of the "Keating Five" and other members of Congress.

What is more, some S&L owners and managers were simply thieves. When thrifts trying to raise new capital switched from being mutual organizations to being owned by stockholders, the regulators often did not carefully consider the backgrounds and characters of the new owners. As a result, more "high rollers" gained control of S&Ls. In particular, many real-estate developers used thrift associations to fund their own activities.

Even honest managers and owners of economically insolvent S&Ls increased their risk taking. Realizing that the amounts paid on their deposit liabilities would exceed the returns that they could ordinarily expect on their assets, they adopted high-return, high-risk strategies. If the ventures succeeded, the institutions kept all

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the gains. If the ventures failed, as was more likely, the losses were shifted to the FSLIC. Risk-seeking institutions did not need to use their new powers to increase their risks; many used the old powers to take more interest-rate or credit risk. But some of the new powers (particularly the power to make equity-participation commercial mortgage loans with large up-front fees and delayed interest payments) did give these institutions the ability to increase their income, and hence their capital, as calculated under regulatory accounting principles—which in turn let them take big risks faster.

The home-owning public must also accept some blame. Its demand for housing subsidies encouraged elected officials to support the expansion of specialized and inherently unstable depository-mortgage lenders, including S&Ls. The important role of S&Ls in financing housing created a close relationship—both direct and (through Congress) indirect—between the savings-and-loan industry and the Federal Home Loan Bank system. As a result, the regulators frequently bent over backward to avoid taking corrective actions that would have penalized or embarrassed the industry. The system frequently confused its role as regulator with that of cheerleader for the industry. This made it easier for both Congress and the FHLBB to conceal the true size of the crisis, its true causes, and the effective remedies.

The cure

Recognition of the enormous size of the crisis, coupled with horrifying reports of massive fraud and growing dissatisfaction with the regulators' handling of the problem, culminated in the Financial Institutions Reform, Recovery and Enforcement Act (FIRREA) of August 1989. In order to permit the closing or sale of the worst insolvent institutions, the bailout act raises some $115 billion over three years from general Treasury revenues and, to a lesser extent, from increased assessments on depository institutions. (Some $40 billion of the total was earmarked to support notes that the FSLIC had already issued for earlier failure resolutions.) Part of the $115 billion is recorded on the federal budget and part is off-budget—to be paid for by the government's new Resolution Financing Corporation. It should be noted that these funds represent a bailout of the depositors, not of the institutions, except to the extent that the managements responsible for the insolvencies are not replaced.

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The act increases annual deposit-insurance premiums on S&Ls from .208 percent (.083 regular and 0.125 surcharge) to 0.23 percent in 1991, before lowering them to 0.18 percent in 1994 and to 0.15 percent in 1998. Commercial banks' premiums are raised from 0.083 percent to 0.12 percent in 1990 and to 0.15 percent in 1991. The FSLIC is separated from the FHLBB and reorganized as the Savings Association Insurance Fund (SAIF) within the FDIC, which will also administer a new Bank Insurance Fund (BIF); both funds are explicitly supported by the full faith and credit of the federal government up to $100,000 per deposit account. The chartering, regulatory, examination, and enforcement activities of the FHLBB are reorganized in the Treasury Department as the Office of Thrift Supervision (OTS), akin in structure to the Office of the Comptroller of the Currency.

The act also required S&Ls to maintain capital-to-asset ratios of at least 1.5 percent (excluding goodwill) and 3 percent (including goodwill) by the end of 1989; goodwill considerations will be phased out by the end of 1994. If these requirements are not met, deposit-growth constraints and other sanctions may be imposed until the association achieves the required minimum capital ratios. S&Ls are also required to increase their emphasis on residential mortgage lending. In general, the powers of state-chartered S&Ls are restricted to those permitted federally chartered associations, and S&Ls must have phased out their investments in real-estate equity and junk bonds by mid-1994. The act also allows S&Ls to be acquired by commercial bank-holding companies and to be operated as thrifts or converted into commercial banks, subject to SAIF premiums.

FIRREA transfers responsibility for managing and disposing of most insolvent associations to a new temporary Resolution Trust Corporation, which will exist until the end of 1996. During its existence, it is expected to manage many hundreds of insolvent associations pending their liquidation or sale.

The long-run effects of FIRREA are uncertain. The regulators now have the funds needed to resolve the worst of the insolvencies. But the new funds already appear to be insufficient to cover all the outstanding losses, and they provide little cushion either for potential problems at marginally capitalized institutions or for problems resulting from a rise in interest rates. Moreover, the Resolution Trust Corporation has too little capital to resolve insolvencies quickly and efficiently.

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Although FIRREA sets minimum capital standards, it does not do enough to reduce the incentives for insured depository institutions to take excessive risks. The capital standards are not as tough as advertised. They are considerably lower than they were in 1980, before the crisis was generally recognized, and they are still lower than they would be in the absence of deposit insurance. Indeed, because thrifts face lower capital requirements than banks, the Comptroller of the Currency has since proposed changes in the capital standards for national banks that may reduce their minimum requirements and may permit some banks to operate with near zero or even negative market-value net worth. FIRREA, moreover, does not specify that institutions breaching the minimum ratios must be recapitalized or reorganized immediately.

The act does call for the Treasury to make an eighteen-month study of deposit insurance. But this provision merely buys time; almost everything that anyone ever wanted to know about deposit insurance has already been studied and published. The delay may lead to inaction, because public pressure on Congress to make significant changes is likely to decline.

In addition, by restricting thrifts' product powers, the act reduces their ability to diversify both their interest-rate and credit risks. Thus it restores the conditions that initially resulted in the 1979-1981 debacle.

Although the act "punishes" the FHLB system and attempts to break up its cozy relationship with the industry, it does not significantly change the incentives that the regulators face. Discretionary forbearance is still permitted, and the OTS is not likely to be immune from congressional or industry influence simply because it is located in the Treasury Department. Indeed, political pressures on it may increase, since it may be viewed as an "administration" agency rather than an "independent" agency as before. In any event, the more discretion granted the regulators, the more vulnerable they are to political pressures.

Lessons and recommendations

In light of the severity of both the S&L crisis and the embarrassment to the late but unlamented S&L regulators, one would expect the remaining bank regulators to move swiftly to minimize the probability of a recurrence. If there is a lesson to be learned from the debacle, it is that when the government provides deposit insurance, it must also use accurate accounting and monitoring

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systems and require individual institutions to maintain sufficient capital levels. Any set of recommendations for improving the safety and efficiency of the banking structure must include provisions for substantially higher capital requirements, mandatory early intervention by regulators, reorganization or recapitalization before capital is completely dissipated, and market-value accounting.

At best, the regulators have maintained current capital levels; in all likelihood they have actually reduced the levels. But higher capital should be required for two reasons. First, the greater an institution's capital, the better it can absorb losses. In the days before the FDIC, banks would display the amount of their capital and surplus on their windows, rather than "Member FDIC." More capital gives owners incentives to monitor the operations of their institution, because more of their money is at risk. This is especially important now that deposits are almost totally insured, in practice if not in law. Under the insurance system, depositors have little incentive to monitor the behavior of their institution; even if they believe that they are at risk, they can generally remove their funds quickly when they believe that their institution may be in financial trouble.

Stockholders can benefit from risk taking when capital gets very low, because they enjoy the gains while most of the possible loss is borne by the FDIC. Debt holders, though, do not benefit from risk taking, as they receive only the promised coupon payments. Indeed, excessive risk taking jeopardizes these payments. It is useful, therefore, for capital to include debt subordinated to the claim of the FDIC. Such debt is truly uninsured. It is exactly the same as certificates of deposit that are not explicitly guaranteed by the FDIC. An institution's inability to find buyers for such debt indicates that the institution is not really healthy. Thus subordinated debt can give bank supervisors an early warning of trouble if interest rates on an institution's outstanding debt increase and the institution has trouble replacing debt as it matures. This debt should not be redeemable in less than one year, to prevent debtholders from "running" before the supervisory authorities can act.

It is sometimes argued that higher capital requirements could reduce profits and drive some healthy institutions out of business. It is true that one result of higher requirements would be to cut the subsidy provided by the present system of deposit insurance, where the premiums charged do not reflect risk. The subsidy, though, is paid by strong institutions, their customers, and taxpayers. An insti-

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tution cannot be said to be healthy if it can survive only by receiving a subsidy.

Another objection to higher capital requirements is that capital is costly. Equity capital *can* be costly; but this objection does not apply to subordinated debt—primarily because interest payments on debt are deductible from income taxation, as are interest payments on deposits.

Mandatory early intervention by regulators before capital is completely dissipated can reduce the cost of bank failures to the taxpayers. The problem is that regulators are subject to considerable pressures—including "suggestions" from legislators and their own reluctance to admit that a bank has failed—to delay reorganizing or closing down banks. Instead, they prefer to delay action and to hope that conditions will improve or that the failure will occur on someone else's watch. That is why there should be a predetermined schedule for action as an institution's capital declines, as the Shadow Financial Regulatory Committee has recommended. If an institution has a capital-to-asset ratio of more than 10 percent, for example, it would need only general supervision. Should its ratio decline below 10 percent, the regulators could choose to suspend the institution's dividends and interest payments on subordinated debt, to prevent it from growing, and to require it to submit a plan to restore its capital. But when the ratio dipped below, say, 6 percent, the regulators would be *required* to suspend dividends and subordinated-debt payments and to restrain growth. At this point, bondholders and stockholders could be expected to step in to force recapitalization or to displace management. But if things deteriorated even further, the regulators would have to take over the institution when its capital fell below 3 percent, and to sell, merge, or—as a last resort—liquidate it.

Some might object that this plan amounts to the confiscation of solvent institutions. But the owners of a truly solvent bank would restore the capital before it hit the 3-percent point—even before dividends and interest on subordinated debt were suspended. Any capital remaining after the takeover, moreover, would be returned to the former owners.

Having capital measured in terms of market value rather than historical cost or regulatory accounting numbers is also important, because these latter numbers often do not reflect an enterprise's actual economic condition. This fact was dramatically and disastrously illustrated by the savings-and-loan debacle.

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Market-value accounting, however, is said to pose significant measurement problems. It is true that the market values of some important bank assets, particularly loans that are not marketed, are difficult to measure. But the alternative—of assuming that they have remained at their original levels—is worse.

Another objection is that market values emphasize the short run instead of the long run. Increases in interest rates, for example, are said not to affect the value of a fixed-rate mortgage that an institution plans to hold to maturity; the mortgage's value, moreover, will be restored when interest rates go down again. But while it holds the mortgage, the bank will be earning interest at a rate below the current market rate; if its deposits are short-term, it will be earning less than it is paying out. When the institution is likely to bleed to death over time, its owners will know that it is insolvent and will take excessively risky gambles. What is more, we usually have no more reason to expect interest rates to decrease than to expect them to increase further. Instead of being saved by future changes in interest rates, the institution could be plunged further into insolvency, to the detriment of other institutions and the taxpayers.

Regulators and discretion

No regulator has proposed or supported significant increases in capital requirements. Nor have the regulators supported mandatory reorganization, recapitalization when capital (however defined) is exhausted, or a change from book- to market-value accounting. Rather, they have responded that these proposals are unrealistic and infeasible.

If these reforms are deemed worthy, it is important to identify the underlying motivations that cause the regulators to deny their value. It is relatively easy to rule out the possibility that regulators do not understand economics or accounting; regulators are generally quite intelligent and well-educated, and many senior-level regulators developed favorable reputations before being appointed to their current positions. It is somewhat more difficult to refute the hypothesis that regulators are knuckling under to adverse pressure from Congress or the S&L industry. But regulators have been known to stand up to Congress and the industry to preserve their independence.

Regulators seem to oppose proposals such as ours primarily because they want to maintain their discretionary powers. Discre-

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tion enables regulators to respond at any time and in any manner that they believe appropriate, with little need to define "appropriate" in an objective and reconstructible form. Under the discretionary system, regulators are supervised by "watchers" in the private sector, who frequently are former regulators and who tend to develop mutually supportive relationships with the regulators. Unfortunately, discretion makes it possible for regulators to refuse to recognize problems, or even to deny their existence.

Mandatory regulatory intervention and accurate market-value accounting are the antithesis of discretionary behavior; such rules put the regulators on "automatic pilot" and reduce their power and visibility, as well as their sense of importance. Rules also reduce the regulators' ability to disguise or to cover up problems and to *shift blame elsewhere; they force greater accountability.*

Regulators favor discretion because they believe that they can acquire relevant information more quickly and more accurately than others. They believe, too, that they are more knowledgeable about the banking industry and its problems than others. Finally, they believe that the structure of the industry and the marketplace is unstable, so that rules designed for one period are not applicable to another; corrective actions, in their view, must be specially tailored to the unique aspects of each problem.

Yet the regulators' response to the thrift crisis was wholly ineffective. Because government failure is potentially far more costly than market failure, it is important to design incentives that force regulators to operate more responsibly. Until this is done, we are unlikely to avoid another crisis if and when the economic and technological forces that caused the current crisis reappear.

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Language politics and American identity

JACK CITRIN

IN RECENT YEARS, America's ability to reconcile political unity and cultural diversity has been challenged anew. A massive wave of immigration from Latin America and Asia has transformed the character of many local communities and fueled demands for bilingual government services. The specter of linguistic diversity, in turn, has sparked insecurity about national cohesion and fostered a movement to designate English as the official language of the United States.

Underlying the political confrontation between "language rights" and "English only" is a deeper debate over the meaning of American identity and the means of preserving it. Is speaking English a condition of full membership in American society? Does government support for bilingualism erode the foundations of national unity, or does it enhance ethnic harmony?

Policymakers and voters have been answering these questions in different ways. Even as a stream of federal laws, court decisions, and administrative regulations has favored the use of other languages in public institutions, most citizens regard English as a symbol of American nationhood that must be defended. A

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language policy that ignores this entrenched public view is bound to be resisted. But is there any policy that could simultaneously promote a common civic identity, ethnic tolerance, and equal economic opportunity?

Linguistic conflict in America

Although the Framers of the Constitution ultimately decided not to endow English with a special legal status, they assumed that a common language would develop in the United States and that it would be English. True to this assumption, researchers consistently find that the typical pattern of language usage among immigrants to America is a rapid shift from non-English monolingualism in the first generation to bilingualism in the second generation, and then to English monolingualism in the third generation. During most of the nineteenth century, this shift occurred not because of governmental coercion but in spite of laws that were relatively favorable to the maintenance of one's mother tongue. Immigrants and their descendants quickly learned English—not because they were forced to, but because learning English helped them to get ahead in America.

Nevertheless, an "English only" strain in public opinion did develop around the turn of the century, as a wave of immigration from southern and eastern Europe stirred up xenophobic feelings. A little later, the strong anti-German sentiment engendered by World War I stimulated new claims that the stability of American institutions and values depended on cultural homogeneity. The Americanization movement that flourished at this time emphasized the need for a common language to speed the assimilation of immigrants with alien traditions, and fifteen states passed laws making English the only language of instruction in the schools. In 1924 Congress also acted to assuage nativist anxieties by establishing immigration quotas overwhelmingly favorable to applicants from northwestern Europe. Language issues then vanished from the national agenda for almost fifty years.

The interplay of the political and demographic changes that began in the 1960s ushered in a new era of conflict over language. First blacks and then other groups increasingly emphasized the values of ethnic solidarity and distinctiveness. A political climate emerged in which policies came to be judged according to their perceived potential for strengthening or weakening a group's ethnic heritage. In this context, Hispanic activists articulated the con-

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cept of language rights as a constitutional entitlement that deserved "equal protection of the laws." Specifically, they called on government to go beyond the mere toleration of minority languages in the private sphere to the active promotion of bilingualism in public institutions.

Official actions designed to support linguistic minorities wishing to maintain their native cultures precipitated the organized drive to endow English with a special legal status. Bilingual-education programs were the main catalyst. The 1968 Bilingual Education Act was the first significant federal step in the promotion of language rights. This measure provided funds to meet "the special educational needs ... of children of limited English-speaking ability," defined as "children who come from environments where the dominant language is other than English." Senator Ralph Yarborough, the sponsor of the bill, declared that his intention was "just to try to make those children fully literate in English," but it is clear that for many Hispanic leaders and activists bilingual education represented a vehicle for resisting cultural assimilation and encouraging the continued use of Spanish.

Implementation of the Bilingual Education Act became a hotly contested issue. Minority activists tended to favor cultural-maintenance programs that teach children most subjects in both their native language and English throughout their educations. This approach repudiates the melting pot in favor of a "multicultural" conception of American identity that celebrates ethnic consciousness. The symbolic importance of this diminished respect for English is the likely reason for the overwhelming public rejection of the bicultural approach, reported in a 1983 national survey conducted by UCLA political scientists David Sears and Leonie Huddy. The survey found that the majority "Anglo" group accepts bilingual-education programs that stress the rapid acquisition of English proficiency.

Despite this popular opinion, court decisions and administrative decrees tended to favor bicultural or lengthy "transitional" programs. In *Lau* v. *Nichols* (1974), the Supreme Court decided that Title VI of the 1964 Civil Rights Act required school districts to take steps to ensure that non-English-speaking children can participate meaningfully in the educational system; while the Court did not specify what steps should be taken, the so-called *Lau* guidelines proposed by the Department of Health, Education and Welfare's Office of Civil Rights were heavily weighted against English-as-a-

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Second-Language programs.

These regulations were bitterly opposed, particularly by influential teachers' unions, and in 1978 the pendulum at both the federal and state levels began to swing away from official promotion of bilingualism. A four-year evaluation of bilingual-education programs conducted by the American Institutes for Research and released in 1977-1978 played a crucial role. This study found no convincing evidence showing that bilingual-education programs were effective in improving English proficiency or in increasing academic motivation. There was evidence, however, that such programs resulted in the classroom segregation of Hispanic children. In response, Congress became increasingly receptive to efforts to broaden the range of programs funded under the Bilingual Education Act to include structured-immersion programs, which "immerse" students in English-speaking classrooms. With the advent of the Reagan administration, skepticism about native-language instruction dominated official thinking; the advocates of language rights, along with other members of the civil-rights coalition, were placed on the defensive.

Together with domestic political trends, changing patterns of immigration prepared the ground for the spread of an "official English" movement. In 1965 immigration legislation abolished both the national-origins system and the explicit exclusion of Asians. The new law also raised the ceiling on the number of immigrants and gave priority in the allocation of immigration visas to applicants with family members already in the United States.

The results were a huge increase in the number of legal immigrants and a marked shift in their racial and linguistic backgrounds. Immigration and Naturalization Service figures show that between 1950 and 1960 roughly 2.5 million people legally emigrated to the United States; there were 570,000 legal immigrants in 1985 alone. Between 1921 and 1960, 18 percent of America's legal immigrants came from Latin America and only 4 percent came from Asia. Between 1971 and 1980, by contrast, the corresponding figures were 40 percent and 35 percent, while in the next five years 35 percent came from Latin America and 48 percent came from Asia. There also was a large inflow of Spanish-speaking illegal immigrants, principally from Mexico.

Along with the sheer number of immigrants, their geographic concentration—the Asians in metropolitan areas in California, the

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Hispanics in states close to the Mexican border—increased the visibility of foreign customs and values. To some, it also raised the possibility of a territorial basis for linguistic separatism.

The call for "official English"

Language rights were demanded by ethnic minorities as a symbolic affirmation of their continuing attachment to their original cultures. In the context of increasing immigration and growing anxiety about America's prestige and power in the international arena, however, the revival of ethnic consciousness aroused concern about national unity. In 1983, warning that the failure to maintain a common language in the United States would produce the unrest and polarization experienced by Canada, Belgium, and other linguistically divided countries, Senator S.I. Hayakawa and a Michigan ophthalmologist named John Tanton founded the organization U.S. English to ensure the preservation of English as America's national language.

One of U.S. English's early goals was a constitutional amendment to declare English the official language. Senator Hayakawa first proposed such a measure in 1981; his English Language Amendment (ELA) also would have given Congress the power to enforce the official status of English with appropriate legislation. Other members of Congress periodically have reintroduced the ELA, but the measure has made no substantial legislative progress.

With the failure of the ELA in Congress, U.S. English has turned its attention to the state and local levels. Due largely to the efforts of U.S. English and its sympathizers, forty-four states and numerous counties and municipalities have considered "official English" laws or initiatives since 1981. Before 1980, only three states—Nebraska, Illinois, and Virginia—had declared English their sole "official" language. Today only three states—Maine, Vermont, and Alaska—have yet to consider "official English" laws. The legislatures of Arkansas, Georgia, Indiana, Kentucky, Mississippi, North Carolina, North Dakota, South Carolina, and Tennessee adopted such measures, and Virginia amended its earlier declaration to discourage bilingual education. In thirty-four states, however, the legislatures refused to pass "official English" statutes. In four of these states—California, Arizona, Colorado, and Florida—English-language amendments to the state constitutions were subsequently placed on the ballot through the initiative process and adopted by popular vote.

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In many states, support for "official English" took the form of a simple declarative resolution. A few states, such as South Carolina and Tennessee, went further and prohibited the use of foreign languages in specified public institutions such as schools and the courts. The implementation of these provisions was left to legislators, administrators, and judges, and it is generally agreed that the impact of state "official English" laws has been almost entirely symbolic. But whatever the local differences in the content of "official English" measures, the deeply emotional debates that they engender have a remarkable consistency.

Proponents of the measures contend that both historical experience and common sense teach that linguistic diversity threatens political cohesion and stability. Previous generations of immigrants understood that learning English was the vehicle of social integration and economic mobility. For English to lose its status as America's common tongue is, therefore, to risk a Tower of Babel and to undermine one of the last things that still binds this pluralistic society together.

Proponents deny that they are hostile to minorities; indeed, many of the movement's leading spokesmen have immigrant origins. Adoption of their proposals, they claim, would not eliminate bilingual programs that genuinely advance the process of acculturation, but only check the development of policies that threaten to erode a common sense of American identity and to prevent immigrants from moving out of economically depressed linguistic enclaves.

Opponents of "official English" measures portray them as instruments of exclusion rather than assimilation. To enshrine the superior status of English in the Constitution, they claim, is to state that linguistic minorities are inferior and unwanted in America. They argue further that the predominance of English usage is not in danger; they cite studies showing that virtually all immigrants want to learn English and do so, despite the inadequate supply of English instruction for adults. To its critics, then, the campaign for "official English" is at best unnecessary and at worst a thinly veiled form of racism and xenophobia. Whatever the manifest content of proposed English-language amendments to state constitutions, opponents contend that such proposals augur future discrimination against language minorities. In their view, "official English" measures both endanger bilingual services and run counter to America's historical commitment to tolerance and equality.

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One might expect proposals for "official English" to be most likely to succeed in states with large concentrations of Hispanics or Asians, because the visible clash of ethnic strains might generate resentment among English-speaking groups. In fact, if one considers only outcomes in state legislatures, the opposite seems true. State "official English" laws are concentrated mainly in southern states with largely Anglo-Saxon populations and tiny proportions of foreign-born, Hispanic, or Asian residents. Under these conditions, language usage is a settled matter, bilingualism a remote issue, and the designation of English as the state's official language an uncontroversial decision. On the other hand, in states with substantial language minorities, the legislatures have defeated or tabled "official English" proposals. In these states, politically active members of ethnic groups have persuaded politicians in both parties to resist attacks on bilingual programs.

The reluctance of elected officials to act, however, does not always seal the fate of "official English." Significantly, the four states in which voters have overridden their legislators to pass English-language amendments to their state constitutions have, as a group, the highest proportions of non-English speakers, immigrants, Hispanics, and Asians.

At the local or regional level, then, English becomes a salient and highly emotional issue when rapid immigration changes the prevailing pattern of language usage. In this context, leaders of both major political parties have chosen to avoid disturbing the existing language policy. But where supporters of "official English" have been sufficiently well organized to put the issue to a popular vote, they have carried the day by wide margins.

Voting on "official English"

In November 1986, California voters endorsed Proposition 63, an English-language amendment to the state's constitution. The stated purpose of this initiative, which was the model for the initiatives passed two years later in Arizona, Colorado, and Florida, was to "preserve, protect and strengthen the English language, the common language of the people of the United States." The initiative also instructed the state's legislature to enforce the status of English as the official language of California and to make no law that "diminishes or ignores" the role of English. Residents and people doing business in California were to have legal standing to sue the state to ensure enforcement of the amendment.

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With the single exception of Republican Senator Pete Wilson, all of the state's leading politicians opposed Proposition 63. Governor Deukmejian called it "unnecessary" and warned that "it would cause fear, confusion and resentment among many minority Californians." The state's Roman Catholic bishops also urged the defeat of the "official English" initiative, stating that it would "enshrine prejudice in the law and jeopardize all forms of bilingual assistance." The state attorney general agreed, calling Proposition 63 "an open invitation to hundreds of hurtful and frivolous lawsuits," while the Los Angeles City Council deemed the proposal "contrary to our most basic principles of equality and opportunity" and asserted that it would "result in a sense of inferiority, debasement and shame in one's own ethnic heritage."

An impressive coalition of interest groups, including the League of Women Voters, local chambers of commerce, the state AFL-CIO, the ACLU, and organizations of ethnic minorities echoed these charges, as did editorials in the state's largest newspapers. On election day, however, 73 percent of the electorate statewide, and a majority in every single county, opted for "official English." An exit poll conducted by the Field Institute indicated widespread support for the amendment in almost every segment of the California electorate. To be sure, Hispanic and Asian voters were less likely to approve the amendment than were black or white voters, but support did not differ significantly between blacks and whites. The young and highly educated were relatively less likely to vote for "official English" than the rest of the public, but even among these groups—including respondents with postgraduate degrees—majorities reported having supported the amendment. Economic concerns did not appear to influence voting; there was no difference in the level of support for Proposition 63 between people who said that they were better off financially than they were a year ago and people who said that their circumstances had worsened.

The cracks in the general consensus about the desirability of "official English" were related to party and ideology. Eighty-four percent of the Republicans surveyed favored the amendment, compared with 56 percent of the Democrats. This divergence in outlook grows even larger when voters are compared according to ideological identification: conservatives were much more likely than liberals to support the proposition. It appears that differences of opinion on language issues result more from differences in attitudes toward social issues than from economic cleavages.

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The 1988 campaigns for "official English" in Arizona, Colorado, and Florida closely resembled the 1986 campaign in California. Once again, the top elected officials in both political parties; prominent figures in education, religion, and the judicial system; important business and labor organizations; minority-group leaders; and the leading newspapers opposed the measures as unnecessary, divisive, racist, and destructive of necessary bilingual services. And once again, the voters opted for the amendment. The Florida amendment received 84 percent of the statewide vote, won in every county, and carried nearly two-thirds of the vote in heavily Hispanic Dade County. Colorado's version of "official English" passed by a three-to-two ratio. In Arizona, however, a more restrictive version of "official English" was adopted as an amendment to the state's constitution by the narrowest of margins, 51 percent to 49 percent. (In February 1990, however, a federal district judge in Phoenix ruled that the amendment was an unconstitutional violation of the federally guaranteed right of free speech. Whether this decision will be appealed and how it ultimately will affect other state and local "official English" laws remain to be seen. In any case, the court's action stands as another example of the gap between public officials and popular sentiment.)

A pre-election poll of Arizona voters conducted by the *Arizona Republic* indicated that Republicans (67 percent), respondents without any college education (66 percent), and those over fifty-five years old (64 percent) were more likely to support the English-language amendment than Democrats (47 percent), college graduates (44 percent), and people aged eighteen to thirty-four (56 percent). In Florida, however, a survey conducted by Mason-Dixon Opinion Research found no differences in support for "official English" among self-identified Republicans, Democrats, and independents, doubtless a reflection of the greater conservatism of Florida Democrats as compared with those in California or Arizona. As in California, in Florida both whites (79 percent) and blacks (75 percent) strongly supported the amendment, but Hispanics (25 percent) were strongly opposed.

These data, however sparse, make it clear why proposals for "official English" have a good chance of succeeding at the polls. Even large Hispanic or Asian communities often have little electoral power, because these groups tend to include many noncitizens and to have low levels of political participation. The political right is the core of the "official English" movement, but the movement

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attracts support from all along the ideological spectrum. Despite the condemnation of party leaders, civil-rights organizations, and the intelligentsia, a majority of Democratic and black voters, apparently unaware of or unpersuaded by claims that these measures are grounded in prejudice and xenophobia, have approved English-language amendments.

Language and American identity

Economic competition and cultural resentment are social science's leading explanations for linguistic conflict. These causal theories may differ in their predictions concerning the specific groups that are likely to support "official English" and to oppose bilingualism. But both theories characterize the desire to elevate the status of English as a hostile, defensive reaction to feelings of vulnerability, based variously on ethnic competition for jobs, education, or housing; resentment about the cost of public services that primarily benefit linguistic minorities; unfavorable personal experiences with members of these groups; insecurity about the loss of American power; or sheer prejudice.

No doubt there are voters whose positions on language issues are determined by such motives. The support for "official English" is so pervasive, however, that economic anxiety and prejudice against minorities can hardly be its only or even its primary causes. Indeed, most of the respondents in a 1987 California poll, conducted after the passage of the state's English-language amendment, declared that it was a "good thing" for immigrants to preserve their native languages and customs. A February 1988 California poll found that only 18 percent of the Anglo respondents were "very worried" that the increased number of Hispanics and Asians in the state would make it hard to maintain the "American way of life"; only 13 percent reported that this change had harmed them or their families. In a June 1986 CBS News/*New York Times* national survey, 68 percent of the respondents said that they would welcome "today's new immigrants" into their neighborhoods, and only 15 percent were worried that these immigrants would take away their jobs. In sum, most people do not appear very anxious about the personal economic impact of immigration, nor is there pervasive animosity toward linguistic minorities and their cultures.

The polls suggest an alternative explanation for the public's prevailing outlook on language policy: the popular conception of

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national identity equates being American with speaking English. Thus the February 1988 California poll found that 76 percent of those surveyed, including 65 percent of those with a college degree and more than two-thirds of the Hispanic and Asian respondents, believed that "speaking and writing English" are "very important" in making someone a "true American." Although a conservative political outlook predictably boosted support for this normative conception of American nationality, perhaps the strongest indication of the positive symbolism associated with "official English" is that fully 62 percent of the respondents who identified themselves as strong liberals and 65 percent of those who called themselves strong Democrats also endorsed it.

What is more, although 75 percent of this sample felt that voting in elections was another very important criterion in defining a "true American," 62 percent said that only citizens who can speak and read English should be allowed to vote. In a 1986 Roper national survey, 81 percent of the sample agreed that "anyone who wants to stay in this country should have to learn English." And a November 1986 CBS News/*New York Times* national poll found that two-thirds of those surveyed thought that English already was the official language of the United States. In this climate, a vote for "official English" can be taken as an expression—sometimes self-conscious, sometimes reflexive—of one's identification with an important symbol of nationality.

A major reason for the success of "official English" at the polls is that its advocates have succeeded in defining the measure as a show of patriotism rather than intolerance. When asked why they intended to vote for the English-language amendment, 59 percent of the registered California voters polled just before the 1986 election said that they simply believed that "if you live in the United States you should be able to speak English."

Along with Donald Green, Beth Reingold, and Evelyn Walters, I conducted an elaborate statistical analysis of California opinion on language issues. We concluded that neither a person's immediate economic circumstances nor the perceived *personal* impacts of ethnic change were significant indicators of attitudes toward bilingualism. To be sure, there are groups—linguistic minorities themselves, schoolteachers forced to implement bilingual-education programs, residents of communities where the influx of immigrants has unsettled the established fabric of daily life—directly affected by language policy. But for most members of the domi-

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nant language group, the short-term personal consequences are quite limited. Under these circumstances, underlying political orientations—such as social conservatism or egalitarianism—are the primary determinants of policy preferences.

The intertwined debates over "official English" and bilingualism reflect a cultural conflict over the meaning of American identity. A large segment of the public believes that becoming an American means speaking English; for these people, learning English figures prominently in the process whereby successive waves of immigrants become full-fledged citizens by their own efforts at assimilation. "Official English," to many, is a code word for a common nationality; hence it wins support all along the political spectrum. By challenging the special status of English, bilingualism becomes a symbol of division and dissent. When patriotic sentiments are aroused, most voters judge specific language policies according to whether they facilitate the diffusion of English-speaking skills. Whereas political elites frequently have responded to the sensitivities of minority groups, sounding the theme of equality and characterizing support for "official English" as prejudiced and unfair, the general public has regarded English as a defining element of a vulnerable civic identity.

From symbolism to pragmatism

Regardless of their ethnicity, most Americans take for granted that English is the national language. Any serious challenge to this premise is bound to elicit popular resistance. But while the accusation that "official English" is tantamount to racism angers rather than converts, proclaiming a special status for English antagonizes members of linguistic minorities. In this political atmosphere, it is difficult to design language policies that enjoy widespread legitimacy.

The starting point for policymakers should be the overwhelming evidence that newcomers to America universally have striven to learn English and that within one generation most have done so. Bilingual programs that expedite this process increase economic opportunities for immigrants and speed their integration into the political community on terms that almost everyone accepts. The goals of language policy should be improving access to English, the nation's *public* language, and ensuring tolerance for the use of other languages in the *private* realm. Once bilingualism becomes a practical complement rather than a principled challenge to the

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dominant image of American identity, the salience of the impulses underlying the "official English" movement will diminish.

The following principles provide the framework for a language policy designed to achieve social comity rather than to win a war of symbols:

1. *Efforts to pass "official English" measures should be abandoned.* The instrumental consequences of state and local "official English" legislation are virtually nil, and in the absence of a genuine threat to the status of English, the formal subordination of other languages is mainly divisive.
2. Still, *the existence of a common language helps strengthen national identity.* The purpose of bilingual-education programs in the public schools should be to teach English as rapidly and effectively as possible. Given that the common language of international science and economics is English, improving the linguistic skills of all Americans is a vital national interest. For any particular student, bilingual education should be a transitional stage. The maintenance of one's ethnic identity, however desirable this might be, is a matter for the home and communal institutions.
3. *Current English instruction for adults is inadequate.* The expansion of adult-education programs is imperative for the social and economic integration of linguistic minorities into the American mainstream. Only if these programs are effective and readily available is it reasonable to insist on English proficiency as a condition of naturalization.
4. *The federal government should help pay for these programs.* The influx of linguistic minorities into America is largely the result of federal actions—immigration reform, refugee policy, the inability to seal the border with Mexico, and foreign-policy misadventures. But the impact of immigration falls mainly on local institutions and officials who must cope with the demands for housing, schooling, jobs, and public assistance, and must mediate the tensions generated by the clash of unfamiliar cultural strains. Money is one solvent for these conflicts. Having called the tune, the federal government should recognize its responsibility and pay the piper.
5. *The concept of the melting pot should be revitalized.* In a society whose population constantly replenishes itself with immigrants from diverse cultures, the inculcation of a unifying civic iden-

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> tity is a permanent problem. The melting pot—the process of cultural assimilation that yields a people to whom America has a common meaning—remains an attractive solution. The ethos of the melting pot is universalistic and inclusive; it produces individuals who are Americans by virtue of their commitment to a democratic national creed.

The resurgence of ethnicity in the late 1960s gave rise to attacks on the melting pot and appeals for a "multicultural" version of American nationality. If multiculturalism means no more than the voluntary maintenance of a proud sense of an ethnic group's contribution to the nation's history, it fits easily into the American tradition. But if it means that there should be no single American identity, only several culturally distinct identities whose preservation requires governmental intervention, then multiculturalism implies an alien conception of the nation as a confederation of ethnic communities rather than a community of equal individuals. There will be strong public support for policies that benefit minorities only when these policies are framed in ways that affirm rather than attack the dominant conception of American identity.

If current trends in the ethnic composition of American society continue, language issues will remain on the political agenda. Harmony in diversity requires some consensus on customs and values. The United States cannot be Switzerland, the Austro-Hungarian empire, or even Canada. Our destiny is a revitalized melting pot in which all elements—indigenous and immigrant, majority and minority—intermingle to produce a new identity for all. In this process, something is given up; experience suggests that language is one aspect of the old culture that must be set aside.

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Understanding Black-White Differences

ROBERT M. HAUSER, GERALD D. JAYNES,
& ROBIN M. WILLIAMS, JR.

AS PARTICIPANTS in the National Research Council's Committee on the Status of Black Americans, we appreciate the opportunity to respond to Richard Herrnstein's review essay on our report *A Common Destiny: Blacks and American Society* ["Still an American Dilemma," Winter 1990]. Knowing his wide knowledge, scholarly commitment, and expository skill, we are not surprised to find it an interesting exercise; it is not, however, a persuasive one.

Indeed, in one sense Herrnstein says little that requires a response; he himself explicitly acknowledges that even geneticists and sociobiologists do not know the source of black-white differences. But he seems to forget this refreshing admission in the balance of his essay, which presents an artful case for the theory that underlying differences in black and white intellectual endowments are the chief source of black-white differences in socioeconomic attainments.

Professor Herrnstein correctly observes that *A Common Destiny* (hereafter, the report) "suggests that the central determinant of black-white relations in America is discrimination—past or present, deliberate or inadvertent—by whites against blacks." We reviewed a massive accumulation of data that left no doubt that racial discrimination has been and continues to be (though to a much lesser extent) a pervasive fact of American life. Surely there can be no scientific objection to describing the extent and character of racial discrimination, and to analyzing its deep consequences. To

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do so is not to advance a "discrimination model" if one means, as Herrnstein appears to, that discrimination is the source of all contemporary black-white differences that we regard as undesirable. Nothing could be further from our intentions.

Instead, the report goes to considerable lengths to emphasize that the current status of black Americans has many causes and is the outcome of complex historical processes. The report points to economic and demographic changes; to shifts in employment opportunities (e.g., the loss of jobs in the "rust belt"); to changes in public policies, especially with regard to political participation, education, and health; and to the behaviors of black Americans. It emphasizes the massive influence of the broader changes in American society since World War II. In short, the report does far more than present a simplistic portrait that attributes the condition of American blacks entirely to "discrimination."

Professor Herrnstein complains that the report ignores relevant science. Of course it does: a great many subjects might have been analyzed in the report, so we had to choose among them, making difficult judgments about the importance of different lines of inquiry. The mandate of our committee instructed us to

> ...marshall descriptive data on the changing position of blacks in American society since 1940; draw from the wealth of existing research to describe the cultural context, including an increasingly complex framework of laws, policies, and institutions within which the observed changes have occurred; and explore the consequences, anticipated and unanticipated, of public and private initiatives to ameliorate the position of blacks in America.

Given binding constraints of time and resources, this demanding charge required a careful selection among the issues, research topics, and theoretical models that the report might have treated.

We estimate that the editors had to omit close to two-thirds of the original manuscript prepared for the report. Many of the study participants have already fielded criticisms about several topics that were treated briefly or not at all, such as slavery as a source of family instability; contemporary instances of discrimination, violence, and harassment against blacks; gender, regional, and inter-urban differences among blacks; differences between blacks of West Indian heritage and those born in the United States; differences among minority groups; and important aspects of the transition from youth to adulthood.

The important question, then, is not whether the report was selective, but why. Early on, we decided that the theoretical propositions we included should satisfy three criteria. First, they had to cover areas in which there was scientific evidence that could lead

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to sound conclusions. Second, they had to be relevant to public policy. Third, they had to help account for the observed changes in the status of blacks, or for the changes in the status differences between blacks and whites, that had occurred during the period that we were investigating. We are willing to defend the report on the basis of these criteria. Theories such as the one that Professor Herrnstein proposes, which attempt to explain black-white differences in socioeconomic attainments on the basis of the measured differences between blacks and whites in "indices of ability" (e.g., IQ tests), failed on all three of our criteria.

THE evidence that Herrnstein offers to explain black-white group differences as a product of ability differences does not lead to clear conclusions. We need not belabor this point. Even Herrnstein acknowledges that "we do not know with any certainty where the [black-white] difference comes from, or what it would take for it to go away."

Thus *Race Differences in Intelligence*, a book that Herrnstein himself cites for its summary and evaluation of the evidence on race differences in intelligence, concludes as follows:

> Observed average differences in the scores of members of different U.S. racial-ethnic groups on intellectual-ability tests probably reflect in part inadequacies and biases in the tests themselves, in part differences in environmental conditions among the groups, and in part genetic differences among the groups.... A rather wide range of positions concerning the relative weight to be given these three factors can reasonably be taken on the basis of current evidence, and a sensible person's position might well differ for different abilities, for different groups, and for different tests.... Regardless of the position taken on the relative importance of these three factors, it seems clear that the differences among individuals within racial-ethnic and socioeconomic groups greatly exceed in magnitude the average differences between such groups.

A major reason for our lack of interest in biological explanations of racial differences in ability or achievement is that changes in the gene pool could have had little, if any, effect on the changes in black-white differences that occurred over the forty-year span covered by the study. One simply cannot explain change by a constant. Thus Herrnstein is wrong to suggest that the major theme of the report is the persistent and intractable difference between black and white life chances. Its major themes instead revolve around the massive and diverse *changes* in the status of black Americans—both favorable and unfavorable—that have occurred since World War II.

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Contrary to Herrnstein's assumption, the report does not emphasize only deficiencies in the status of blacks. We found, for instance, that blacks are less likely than whites with similar social characteristics to drop out of high school; that blacks in the mid-1970s were more likely than whites with similar social characteristics to go to college; that black women's earnings are equal to those of white women; and that blacks are more likely to vote than whites with similar social and economic characteristics. The general lesson here is not the intractability of black-white differences, but the volatility of the condition of blacks, which is shaped by general social conditions, by changes in the economy and public policy, and by blacks' individual and collective strivings.

As the U.S. version of apartheid disintegrated—and only seventeen years have passed since the nation had real school desegregation in the South—there have been tremendous changes in the lives of black Americans, affecting their geographic distribution, schooling, health, jobs, incomes, family situations, legal status, criminal involvements, and political power. These changes have had different effects upon different segments of the black population; the beliefs of whites and blacks about one another have held steady in part, but have also changed dramatically in part.

SO LONG as genetic engineering and psychobiology have not advanced far enough to enable policymakers to alter people's genetic makeups, Herrnstein's differential-abilities model will lack clear policy implications. In a society that values the rights of individuals, knowledge about group differences—provided that the groups' distributions overlap—offers nothing useful to policymakers. Sadly, this fact was not so widely appreciated in an earlier period of our history, when a Secretary of Education for the state of Alabama argued that the lesser abilities of black children, combined with considerations of fiscal efficiency, justified lower expenditures for educating black children than for educating white children.

Even if genetically based average-ability differences among U.S. racial and ethnic groups could be shown to exist, they still would yield no clear implications for public policy. As *Race Differences in Intelligence* concludes:

> Humane and enlightened public-policy measures need not be, and should not be, bound by either hereditarian or environmentalist dogmas. Improving the educational opportunities of U.S. blacks, for example, seems to us such a good idea that it should not be made to depend on the risky assumption that this will make the distribution of performance of U.S. blacks on IQ tests indistinguishable from that of U.S. whites.

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Herrnstein seems to believe that the differential-abilities hypothesis negates various arguments for affirmative action and other remedial social programs. But this claim would be valid only in the extreme case, in which black-white socioeconomic differences were due entirely to black-white ability differences—that is, if 250 years of slavery, followed by segregation and past and present discrimination, had had *no* impact upon black Americans today. Since this is clearly not the case, arguments for affirmative action that would apply in the absence of differences in the average abilities of blacks and whites remain valid. (Implementing affirmative-action programs might, however, be more difficult if black-white ability differences had to be factored in.)

In this regard, it is also relevant to note that Professor Herrnstein seems implicitly to equate affirmative action with quotas for racial groups. Because the report takes as a benchmark for public policy the principle of "equal status of the races," Herrnstein wrongly implies that we advocate "equal proportionate representation" as the "goal of public policy." His misunderstanding here clearly shows how much our vision of the goals of social policy differs from Herrnstein's.

If no one knows the true underlying distribution of abilities, or even understands how they interact with environmental factors, how should public policy be formulated? Professor Herrnstein seems to say that policymakers should assume that current conditions reflect an inalterable underlying reality. We say that policymakers should instead assume that equality would be the norm in the absence of discrimination; they should require society itself to prove that inequality is not the result of bias. Our society has been shaped by a past filled with pervasive oppression of blacks, and it cannot assume a neutral starting point.

HERRNSTEIN says that in treating black-white differences in socioeconomic attainments, the report ignores possible explanations that would be central to any comprehensive scientific analysis. He claims that the report says "almost nothing" about differences between whites and blacks on standardized tests, and that it also ignores relevant differences in academic achievement.

This is not true. One need read only as far as the report's first chapter, which observes on page 8 that "levels of scholastic achievement [among blacks] are disturbingly low by many measures." On page 19 it notes that "[b]lacks, on average, enter the schools with substantial disadvantages in socioeconomic backgrounds and tested achievement. American schools do not compensate for these disadvantages in background; on average, stu-

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dents leave the schools with black-white gaps not having been appreciably diminished." We also assert on page 49 that "large numbers of unemployed black youths lacked the 'basic entry level skills' required to compete effectively for jobs."

Pages 346-354 of the report provide an extended discussion of black-white differences and trends in performance on tests, including the National Assessment of Educational Progress (NAEP) tests of nine-, thirteen-, and seventeen-year-olds; the NAEP literacy test; a census literacy test; the SAT; and mental tests used in the Coleman-Campbell report of 1966. The report refers to the last of these tests to document black-white difference in ability: "The [Coleman-Campbell] report also found large black-white differences in achievement test performance at the time of school entry, and these differences were substantially maintained throughout the years of schooling." In addition, the report provides a skeptical, although not an entirely pessimistic, review of various efforts to raise black achievement levels in the schools. At the end of a discussion of black-white differences in scholastic achievement, the report explicitly sets out the criterion used to select among possible explanations of the differences for further discussion:

> Among the possible causes of these patterns and group differences are family background, differences in ability, test bias, differences in motivation, and differences in the educational resources and climates of schools and communities. In the next section, we focus on those institutional practices and policies and individual behaviors that can be manipulated through social policy.

In short, we did not ignore ability or achievement differences between blacks and whites.

LET us say a bit more about why we decided to include and emphasize certain materials, especially the NAEP tests—which have recently become the centerpiece of federal efforts to monitor progress toward national educational goals. Our objective was to find measurements of the levels and trends of black and white intellectual performance that would parallel the measures of educational enrollment and attainment that were obtained from census data. In our judgment, there are no such measurements of IQ; that is, none of the measurements have sufficient scientific quality to justify their inclusion in the report.

To be sure, it is possible to measure the difference between mean-performance levels of blacks and whites, in one sample or another and for various years. But even under the best of circumstances, these data show virtually nothing about overall trends in

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mental ability—we do not know the trend of IQ in the U.S. population—and the various samples (and nonsamples) are so diverse and often so selective that they provide no evidence of trends in black-white differences.[1]

A report that Herrnstein specifically commends—*Ability Testing: Uses, Consequences, and Controversies*—argues:

> There is understandable concern ... that a person's [IQ] ranking will be considered fixed, and possibly genetic, despite the fact that professional opinion emphasizes that abilities are affected by experience. This concern becomes distress when the misconception about ability is carried over to a belief that group differences in test performance reflect hereditary differences in ability.

Herrnstein, however, emphasizes test scores to claim that the measured differences "lend support to the impression that there are intractable race differences in the performance of cognitively demanding tasks." This statement asks readers to accept both an "impression" and the enormous assumption that the differences are racial and "intractable." In a matter of such grave importance, Herrnstein's argument requires more substantial support than impressions and assumptions can provide.

As an expert in the field, Herrnstein surely knows that research and experience over the years have gradually tempered the early enthusiasm for so-called IQ tests as measures of intelligence. Such tests have now come to be seen for what they are: indicators of a set of skills, including acquired language skills, selected as components of academic aptitudes.[2] Thus those who thought that intractable differences between blacks and whites were revealed by the Army Alpha testing in World War I had to confront the fact that many southern whites scored below northern blacks. The apparent racial inferiority of those southern whites, of course, reflected their lack of educational opportunities. Similarly, the "evidence" in the 1920s from tests at Ellis Island showing the inferior performance of European immigrants proved transitory.

One of us (Hauser) has devoted much of his scientific career to gauging the influence of measured ability on educational attainment, occupational careers, and economic success. The conclusions yielded by this line of research do not validate Herrnstein's faith in the importance of IQ for life chances within either the

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[1]See, for example, *Race Differences in Intelligence*, chapter 6; and Lloyd G. Humphries, "Trends in Levels of Academic Achievement of Blacks and Other Minorities," *Intelligence*, vol. 12 (1988), pp. 231-260.

[2]On this point, see Thomas Sowell, "New Light on the Black IQ Controversy," *New York Times Magazine*, March 27, 1977, pp. 56-65.

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black or white population. What is more, measured ability affects life chances primarily through the completion of schooling, so there is little need to consider IQ's effects on adult life chances once one has taken schooling into account—as the report did throughout.

The importance of schooling is what led us to emphasize the NAEP tests. Although these tests do not go back very far in time, they do provide absolute measures of performance for well-defined samples of age groups that can be compared across time and racial lines. Among the report's relevant findings is that blacks aged nine to seventeen improved between 1969 and 1984 in reading, mathematics, and science. Similarly, intercohort changes in literacy differences between blacks and whites, as measured in a census survey, point to decreasing differences in cognitive performance between blacks and whites.

HERRNSTEIN, however, is too preoccupied with unobservable racial differences to be attentive to such positive developments. His preoccupation harms his analysis at all points. Thus he notes that surveys of black and white preferences for racial housing patterns reveal that blacks and whites typically claim to prefer some level of racial mixing—although blacks usually prefer much higher percentages of blacks than do whites. Herrnstein then criticizes the report for failing to "infer ... that at some point blacks as well as whites would prefer to prevent additional blacks from moving into their neighborhoods. The dislike of predominantly black neighborhoods—common to whites *and* blacks—frustrates blacks' quest for equal access to housing [Herrnstein's italics]." Should we also conclude that whites who say that they prefer integrated neighborhoods seek to prevent additional whites from moving in? Of course not. Such whites instead express egalitarian and pluralistic values that are characteristically American. Unlike Herrnstein, who is preoccupied with black-white differences, we attribute similar values to the typical black.

We would be remiss not to note another of Herrnstein's specific misreadings of the report. Consider his claim that "[t]he homicide rates among blacks doubtless reflect black criminals' disproportionate victimization of other blacks—a connection that the book does not make explicit." Perhaps Herrnstein simply failed to read a passage that appears on page 464: "Deaths due to homicide among blacks have ranged between 6 and 7 times those for whites during the past 50 years." Similarly, page 419 of the report observes that "[h]omicide is the leading cause of death for black males ages 15-34.... Most homicides are intraracial and inflicted by young male

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acquaintances and relatives as a result of a quarrel...." Contrary to Herrnstein's allegation, the report does not say that differing averages are *prima facie* evidence of discrimination. On the contrary, it is careful to point to the great scientific difficulties of identifying the factors at work (see, e.g., pages 139-148) and of critically assessing specific evidence.

HERRNSTEIN'S position, however, is more generally flawed than these specific criticisms suggest. Its crucial weakness is revealed in his contention that the report "wrongly ignores the evidence at the individual level that I discuss here." Here Herrnstein makes unexamined assumptions concerning the meaning of "individual level"—assumptions that are built into subsequent statements, such as his assertion that the report ignores a model that refers to "characteristics of the populations themselves." But Herrnstein fails to define "characteristics ... themselves." Similarly, he does not tell us what he means by "individual." Are Herrnstein's "individual traits," which "may be distributed differently among blacks and whites," to be understood as genetically determined, socially determined, or outcomes of complex life-course interactions? We are not told. Soon afterwards, however, Herrnstein informs us that "[*a*]*ny* average level of attainments could indicate a nondiscriminatory society, provided that it correlated with the underlying distributions of traits [Herrnstein's italics]."

Thus Herrnstein seems to assume that individuals' characteristics are somehow intrinsic, innate, and unaffected by the individuals' lives. But the conditions affecting many blacks, we know from undisputed evidence, range from lead poisoning and malnutrition to the hopelessness induced by extreme poverty and lack of access to opportunities. Surely we also know that people are what they are in substantial measure because of the beliefs and values that they acquire in the course of their lives. We ignore this fundamental truth if we assume that "individuals" are monads, constituted by "characteristics" unrelated to the cultural environment that shapes them.

Perhaps the most astonishing passage in Herrnstein's essay occurs under the heading "the dangers of dogma." Here he claims that the report shows "unwavering adherence to the discrimination model as the sole explanation of race differences"; he goes on to refer to our "[d]ogmatic adherence to the discrimination model." These are strong words to appear in scholarly discourse, and we submit that a close reading of the report shows them to be insupportable.

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We have already noted that the report gives critical attention to a truly enormous body of research. Readers will disagree as to emphases on various topics, and not everything could be treated in equal detail. Nevertheless, the committee was indeed "unwavering"—unwavering, that is, in its scrupulous attention to factors other than discrimination. Thus we considered macroeconomic, international, regional, organizational, and behavioral evidence. Our basic approach was so undogmatic that the report has been criticized for being unduly eclectic.

To the extent that the report has a "model," it is a complex and dynamic social-system model in which a number of major variables continually interact over time, with many feedback loops and indirect effects. The system has evolved historically; it has changed drastically over time, and the significance of particular factors has shifted accordingly. From 1619 to 1865, slavery was a dominant institutional fact. After Reconstruction, from 1876 to the years immediately following World War II, legally mandated segregation and discrimination subordinated blacks and restricted their opportunities. The much more complex situation in the past few decades occupied the primary attention of our committee, but the report would be grossly irresponsible did it not also emphasize the crucial historical legacy that Herrnstein ignores.

The natural sciences, to which Herrnstein's hypotheses would direct our attention, cannot as yet tell us what portion of the difference between black and white scores on IQ tests—which are, after all, social constructs—is explicable only by genetic factors. The social sciences can tell us, however, that black Americans have been undernourished, physically and psychologically terrorized, and grossly undereducated for three centuries—and that this has begun to change only during the last two decades. For these reasons, it would be absurd to believe that Herrnstein's alternative explanations are sufficiently well-grounded to have required anything like equal treatment in *A Common Destiny*.

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On Responsible Scholarship: A Rejoinder

R. J. HERRNSTEIN

IN MY article on *A Common Destiny*, I distinguished between a discrimination model of black-white differences in American society and what I called a distributional model. According to the former, differences in average levels of education, income, infant mortality, and so on are the results of racial discrimination—past or present, intentional or unintentional. In the distributional model, differences in those average levels may be traced to differences between the populations that are due to factors other than discrimination. The individuals who constitute the populations may, for example, differ in intelligence, personality, habits, customs, value systems, physical circumstances, and so on. And these differences may not be explained entirely by discrimination.

Despite what Robert M. Hauser *et al.* suggest, using the distributional model is not a euphemistic way of arguing for biological, genetic, or innate differences between the races. My article said nothing about the biology of race differences; instead, it said explicitly that no one can identify, with any certainty, the reasons for many of the differences in the distributions of individual characteristics between blacks and whites in America.

As a matter of logic, the two models exhaust the alternatives: the observed social differences between black and white populations can result only from discrimination or from factors other than discrimination. Any particular social difference between the groups—say, in education, income, or infant mortality—can be caused by both kinds of factors, which no doubt can interact in highly complex ways. It may be hard to tease apart distributional factors from the effects of discrimination, but responsible scholarship demands our best efforts to do so.

I liked and praised *A Common Destiny* for its clarity and its comprehensiveness in treating the topics that it chose to cover. My primary criticism was that the book failed to present information that might have tipped the scale toward the distributional model, even when such information was voluminous and universally accepted by scholars. It is true that the book dwelt less on explaining the social differences between the races than on describing them. But it is also true, as the response of Hauser *et al.* amply demonstrates, that when explanations *are* offered, only those that focus on discriminatory mechanisms are tolerated. Hauser *et al.* deny

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that *A Common Destiny* relied exclusively on discriminatory explanations of the social differences between the races, but the vehemence of their reaction to even a hint at the importance of distributional factors speaks for itself.

Hauser *et al.* say that scholars have every right to examine the effects of the history of blacks under slavery and oppression. I do not agree, if the implication is—as it seems to be—that this history allows scholars to ignore significant factors other than the effects of discrimination alone. Scholars may or may not choose to study black-white differences in America, and they may properly hope to understand how the history of slavery and oppression has shaped those differences. But if they are scientists rather than ideologues, they are not free to pick and choose among the explanatory variables; they must go where the evidence leads, whether or not it conforms to their expectations or ideologies.

HAUSER *et al.* acknowledge that their report omitted findings such as the differences between black and white populations on standard tests of intelligence; it did so, they contend, because it could not cover everything, and because such findings lead to no "good" questions, lack implications for public policy, and cannot account for recent changes in the status of black and white Americans. I will comment on some of the confusions that are evident in these reasons.

Hauser *et al.* make the initial mistake of confusing a distributional explanation with a biological one, which leads them to conjure up nightmares of genetic engineering. But differences between populations with different histories, cultures, attitudes toward work and education, and family lives need not result exclusively from discrimination or biology. Discrimination and biology may both be involved, but alternative explanations are possible. Social policies can affect different populations differently without being discriminatory in the usual pejorative sense.

Consider, for example, the present situation in America. Past and present discrimination may have led us to implement affirmative-action programs, such as set-asides for minority businesses, preferential admissions policies, and race-norming in employment testing. But even these experiments in social engineering, specifically designed to affect the races differentially, cannot be accurately assessed if we refuse to consider distributional variables.

Hauser *et al.* complain about the quality of data concerning IQ differences between the races. They also complain that, because IQ distributions are re-normed from time to time, changes from

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generation to generation cannot be tracked. They prefer data on academic performance, which, they say, permit intergenerational comparisons and are more readily related to other data that they wish to examine. The mistakes that these remarks betray no doubt reflect the unwillingness of the organizers and authors of *A Common Destiny* to draw on the data or the expertise of the testing community.

Perhaps Hauser *et al.* are not aware that hundreds and probably thousands of studies have compared distributions of black and white IQ scores for over half a century. But that literature is only a fraction of the relevant evidence, for it is wrong to distinguish so sharply between IQ scores and other measures of cognitive ability or intellectual performance. The distributions of many objective test scores that are not literally IQ scores are statistically so close to IQ distributions that they are, for many analytic purposes and under particular circumstances, at least approximately equivalent. I refer, for example, to ability tests like the General Aptitude Test Battery, the Armed Services Vocational Aptitude Battery, the Scholastic Aptitude Test, the Federal Service Entrance Examination (the old civil-service examination) and the more contemporary Professional and Administrative Career Examination, the Graduate Record Examination, and countless other tests of cognitive capacity. Even the scores pertaining to academic achievement that Hauser *et al.* prefer to use (and that were reported in *A Common Destiny* and my article) can be aggregated so as statistically to approximate distributions of underlying cognitive capacity.

In short, millions upon millions of people have taken tests of cognitive capacity. Correlations of those ability scores with occupational and academic performance, as well as with other aspects of social behavior (such as criminal behavior or maternal behavior during pregnancy) have been described in thousands upon thousands of empirical reports. We know a great deal about changing ability distributions across generations. More to the point, comparisons of black and white distributions go back for several generations. In my article, I wrote that *A Common Destiny* was remiss for not examining this literature for the light that it might shed on distributional factors, and I have not changed my mind.

Lacking room for everything, say Hauser *et al.*, the evidence on distributional differences in cognitive ability was squeezed out. What got squeezed out is a variable that is correlated (more or less) with many of the black-white differences—in educational and economic attainments, crime rates, health conditions, and so on—that *A Common Destiny* documented. Hauser *et al.* suggest that it is educational attainment *per se*—rather than the individual cognitive

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variables that correlate with educational attainment—that accounts for the correlation between ability scores and various social outcomes. That I consider this at best an incomplete hypothesis in the face of the evidence is beside the point. The point is that *A Common Destiny* made no such hypothesis explicit and presented no substantive arguments in support of it; nor did it include any of the evidence that might have supported the view that distributional differences between blacks and whites in educational attainments are at least as much an effect of distributional differences in cognitive factors as a cause of them.

Since Hauser *et al.* defend *A Common Destiny* as an attempt to focus on the effects of past and present biases against blacks, it should have included the evidence bearing on bias in cognitive-ability test score distributions. Instead, it simply omitted the conclusions of several recent studies commissioned by the National Academy of Sciences, as well as the findings in a technical literature containing samples that include millions of black and white Americans. The thrust of this literature in relation to black-white differences in test scores is well captured by a couple of sentences from one of the National Academy reports:

> The results do not support the notion that the traditional use of test scores in a prediction equation yields predictions for blacks that systematically underestimate their actual performance.... Thus, in the technically precise meaning of the term, ability tests have not been proved to be biased against blacks: that is, they predict criterion performance as well for blacks as for whites.[1]

HAUSER *et al.* say that biological explanations cannot account for the rapid change in black-white comparisons. As a critique of my article and as a defense of the one-sidedness of *A Common Destiny*, this is doubly wrong. First of all, as already said, the distributional model is not equivalent to a biological explanation of all differences. For example, variations in IQ scores are about 60 percent heritable within races, according to the consensus of the expert community.[2] Purely for the sake of argument,[3] let us therefore say that 60 percent of the average difference between

[1]Alexandra K. Wigdor and Wendell R. Garner, eds., *Ability Testing: Uses, Consequences, and Controversies, Part I* (National Academy Press, 1982).

[2]See Mark Snyderman and Stanley Rothman, *The IQ Controversy, The Media and Public Policy* (Transaction Books, 1988). Snyderman and Rothman polled the expert community on such questions as the heritability of IQ scores, and their book reports the results.

[3]As I said in my article, and as Hauser *et al.* allude to more than once, I do not think that we know the source of distributional differences with any precision.

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the black and white populations in cognitive test scores is attributable to genetic differences; the distributional model would then ascribe the remaining 40 percent to environmental factors. Thus I am far from denying that the environment can influence the average gap between the races—not only from generation to generation but even within a generation, as when a sudden change in the environment rapidly alters the distributions of scores. For example, if home environment is a relevant factor, and if teenage single parents tend to provide environments less conducive to the development of intelligence than more mature married couples, then a change in reproductive patterns can rapidly affect the distributions of test scores.

Secondly, it is wrong to assume that genetic factors cannot change as rapidly as an environmental factor like education, which new teachers and pedagogic methods can alter. Depending on the strength of the correlation between a particular trait's presence in parents and its presence in children, the extent to which this correlation is accounted for by the genetic transmission from parents to children, and the correlation between fertility and the trait, the distribution of genes can change rapidly, slowly, or not at all in a single generation.

As *A Common Destiny* showed, the conditions of black and white populations are in some respects growing apart, to the disadvantage of blacks—for example, in infant-mortality rates, in the size of the economic gap between the rich and the poor within each race, and in per capita rates of crime and victimization. But even some of the book's own measures showed that race discrimination *per se* is probably not increasing. So while Hauser *et al.* argue—incorrectly—that the distributional model cannot explain rapid changes in black and white status, they fail to acknowledge that their own discrimination model cannot readily account for some of the more disturbing changes. Neither *A Common Destiny* nor the response to my article seriously considers this challenge to the discrimination model.

I HOPED not to misrepresent *A Common Destiny*, and I assume that Hauser *et al.* similarly strive for accuracy and fairness. They take me to task for charging that the book failed to make explicit the connection between the high rates of black mortality due to homicide and the disproportionately high rates of homicide committed by blacks. What I said was literally correct. Hauser *et al.* are, however, right to note that *A Common Destiny* presents the relevant statistics. By putting together various passages in *A Common Destiny*, a reader could without much difficulty recon-

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struct the impact of black homicide rates on black victimization statistics.

Having granted this, though, I have some complaints of my own. Hauser *et al.* find my reference to "intractable race differences in the performance of cognitively demanding tasks" objectionable. But here I was characterizing evidence presented in *A Common Destiny* itself, documenting black and white performance in reading comprehension and other cognitive skills. The differences *are* intractable, for we do not know how to eliminate them; and they *are* associated with race, as *A Common Destiny* said and as Hauser *et al.* know. I observed several times in my article that blacks and whites differ on the average, but that the full range of cognitive skills can be found among members of either race. The different distributions of these skills pose a challenge to science (which seeks to understand the differences) and to public policy (which seeks to lessen them). Hauser *et al.*, in contrast, find it objectionable even to raise the issue of distributional difference.

Twice in a single paragraph, Hauser *et al.* refer to me as being "preoccupied" with race differences. When I told good friends that I was planning to publish an article on *A Common Destiny*, all of them tried to dissuade me. Never before, as a dear friend reminded me, had I published anything on race differences in intelligence, beyond a passing reference or two to the empirical literature. But Hauser *et al.* believe that publishing a single article on a subject betrays a preoccupation with it. This illustrates my article's claim that "open discussion of the [distributional] model is our obscenity"; the model is excluded from public discourse. If I am preoccupied with anything, it is with the belief that scholars must try to tell the truth, the whole truth, and nothing but the truth—or else admit that they are engaged in something other than scholarship.

A few other points call for response. Hauser *et al.* misunderstand or simply do not know the evidence concerning race differences in the Army testing conducted during and after World War I;[4] in any case, however, a test constructed three-quarters of a century ago, with virtually none of the structure or standardization of modern tests, is irrelevant. Hauser *et al.* allude darkly but vaguely to intelligence testing on Ellis Island in the 1920s, another old chestnut. The familiar charge that the tests were somehow

[4]For a comprehensive discussion, see Robert M. Yerkes, ed., "Psychological Examining in the United States Army," in *Memoirs of the National Academy of Sciences*, vol. 15 (1921). See also Richard J. Herrnstein, *IQ in the Meritocracy* (Atlantic, Little Brown, 1973).

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related to racist and nativist immigration policies, which Stephen Jay Gould has recently popularized, is nothing but a canard.[5]

Supposedly to illustrate the hazards of the distributional model, Hauser *et al.* resurrect an unidentified Alabama Secretary of Education who advocated spending less on blacks than on whites in the belief that blacks were less able. His conclusion was illogical and probably racist; but as Hauser *et al.* should realize, it is irrelevant to my position. A distributional approach to education might lead to the conclusion that children with low cognitive capacities need different teaching methods than other children, but inasmuch as both races contain the full range of capacities, it would not suggest that blacks and whites as a whole should be treated differently. It is also unlikely that people with lesser abilities (of whatever race) can be educated more cheaply.

IN ARGUING against my position, Hauser *et al.* in effect update Pascal's wager, replacing the belief in the existence of God with the belief in the discrimination model of black-white differences. (If the distributional model is our obscenity, it is not surprising that the discrimination model is our divinity.) Note, for example, this claim: "We say that policymakers should ... assume that equality would be the norm in the absence of discrimination; they should require society itself to prove that inequality is not the result of bias." There is a difference, however, between omitting evidence and setting a high standard of proof; and *A Common Destiny* omitted evidence that bears directly on whether certain inequalities are due to bias.

In addition, the assumption made by Hauser *et al.*—that public policy should proceed on the assumption of equality in the absence of proof to the contrary—is supported by neither science nor logic, since neither dictates that equality would be the rule across racial or ethnic groups in the absence of discrimination. Indeed, it is similarity between long-separated populations, and not difference, that normally requires explanations. We would be astounded, for instance, to find a group of people in a distant corner of the globe, wholly cut off from the rest of the world, who spoke English, played baseball, and published a magazine called *The Public Interest*. Racial discrimination has been, and may still be, profoundly important in black-white comparisons and relations in America; but this does not mean, as Hauser *et al.* believe, that we should exclude from consideration what I call distributional factors.

[5]For an account of both the canard and the facts, see Mark Snyderman and Richard J. Herrnstein, "Intelligence Tests and the Immigration Act of 1924," *American Psychologist*, vol. 38 (1983), pp. 986-995.

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Hauser *et al.* want the distributional model to bear what for all intents and purposes is an infinite burden of proof. They are motivated not by logic or by science, but by ideological or moral concerns. Scholars of decent intentions, such as I take Hauser *et al.* to be, believe that the costs to social justice are greater if we wrongly attribute social differences to distributional factors than if we wrongly attribute them to discrimination. They may even believe that the costs of the latter error are so insignificant that we should simply ascribe all observed differences to discrimination, whatever the truth of the matter.

Although I disagree with the assumption that either sort of error is costless, I believe that I understand why Hauser *et al.* want to tip the scales in this way. They may feel that the pressure on society to rid itself of discrimination must be continuous and unrelenting. They may believe that distributional variables, whether or not they are relevant, may inadvisedly lessen the pressure. They may think that unfair discrimination can never be totally obliterated, so public policy must always compensate for it. They may feel that the only way to reduce discrimination is to deny the existence of distributional variables. They may believe that distributional considerations may foster more, and more vicious, discrimination. I know the arguments well, and I would grant them a degree of plausibility—not, perhaps, as much as Hauser *et al.* would, but enough to take their concerns seriously.

But whatever their reasons for tipping the scale, they must tell us what they are doing; if they want to act as scholars and scientists, they must make a scientific case for their position. In my article, I explained why I have come to believe that we often do more harm than good by treating all socially significant racial differences as the results of discrimination, even when there is evidence of distributional sources of difference. My article tried to show that there are social costs to assuming that all racial differences are due exclusively to past and present discrimination, and that these costs may bear even more heavily on blacks than on whites. Others have made similar arguments. But both *A Common Destiny* and the response to my article simply ignore our arguments. Advocates of the unrelenting discrimination model seem to believe that they hold the moral high ground; unfortunately, their ideological fervor makes a poor substitute for scientific inquiry.

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Of Rawls, Responsibility, and Retribution

ALEXANDER E. RAWLS

STANLEY Brubaker believes that we should not make excuses for criminals ["In Praise of Punishment," Fall 1989], and I agree with him. But his attempt to characterize John Rawls as a philosopher who does not hold people responsible for their actions, or give them credit for their achievements, is simply wrong.

To begin with, Brubaker inverts Rawls's concept of desert. Rawls does say, as Brubaker notes, that "no one deserves his place in the distribution of natural endowments." But Brubaker is wrong to assert that Rawls must therefore believe that "no one really deserves the products of his natural endowments." These are two very different questions, and Rawls does not confuse them. In Rawls's theory, the fact that people do not deserve their natural endowments merely *limits* what they can claim to deserve for exercising their natural endowments—the limit being that "no one is to benefit from these contingencies except in ways that redound to the well being of others."

Brubaker is especially scornful that Rawls considers character to be largely undeserved; but here, too, he misunderstands the concept of desert. It is an accident of birth whether one's parents are attentive or neglectful, and the capacity to develop a good character in spite of environment may be a genetic endowment. Thus Rawls quite plausibly maintains that "[t]he notion of desert seems not to apply to these cases." But the fact that good character is not deserved does not mean that people do not deserve the fruits of their good character; it simply limits what they can claim to deserve in return for exercising their good character. If by a "good

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character" we mean anything worthy of the name, of course, then the limits that Rawls would place on what people can claim to deserve need hardly be binding. No one is allowed to get ahead by taking unfair advantage of other people. It is this idea (justice as fairness) that Rawls tries to flesh out with his theory.

Rawls's theory focuses more on distributive justice than on criminal justice, but the logic would be the same in the case of criminal desert. Whether a criminal can be said to deserve his bad character is a separate question from what he deserves for failing to restrain his bad impulses. Only here Rawls proposes *no* limits on the punishment that a criminal might deserve.

Brubaker also fails to appreciate the public role of justice in Rawls's theory. Any expression that deepens and expands the public understanding of justice is valued on that account. In no way does Rawls's theory renounce praise and blame.

Brubaker might understand Rawls better if he focused on what Rawls charges to personal responsibility, as opposed to what he exempts from it. Rawls holds that an adult is responsible for his own conception of the good—for what he holds valuable—and for the happiness or unhappiness that it brings him, as well as for any violations of a principle of right.[1] It is not necessary to hold people responsible for their nonage or for their natural endowments to avoid being soft on crime.

As for Brubaker's account of the public outcry over Jim Wright's use of his influence to help John Mack escape punishment for attempted murder, he is certainly right to maintain that the desire for retribution was active. But so was the public's interest in the impartial application of the law. One can hardly discount the interest that liberals take in this principle of fairness, especially if one views Rawls as an archetypical liberal. Treating like cases alike is one of the fundamental principles of fairness from which Rawls deduces his theory of justice as fairness.

If the principle of impartial justice is embraced, the Mack case should prompt people to ask themselves what would happen if all attempted murderers were treated so leniently. Anger becomes focused by the requirements of deterrence. Brubaker clearly appreciates this process. He quotes approvingly the view of James Fitzjames Stephen that the criminal law gives "shape to moral indignation, and hatred of the criminal.... The sentence of the law is to the moral sentiment of the public what a seal is to hot wax." Yet Brubaker is content simply to glorify the hot wax, while in-

[1]Rawls discusses an individual's responsibility for his own conception of the good in his article "Social Unity and Primary Goods," in *Utilitarianism and Beyond*, Amartya Sen and Bernard Williams (editors), Cambridge University Press.

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veighing against the cold seal. Criminals should get what they deserve, but their deserts are determined by fair enforcement of the principles of right, and not by a counting up of the public outrage.

LIBERALS can sometimes be soft on crime. For some few this softness may even spring from a peculiar tendency to make excuses for criminals. But the vast majority of liberals have the same desire to punish criminals as any law-and-order buff. What deters them is a fundamental conflict between liberty and crime control. An understanding of this conflict begins with the distinction between the right and the good.

Roughly speaking, reasonable people can disagree in their conceptions of what is good, but not in their conceptions of what is right.[2] Thus the fact that liberals often decline to pass moral judgment on different conceptions of the good, at least for purposes of coercion, does not mean that they withhold moral judgment generally. Liberals hold a person responsible for his conception of the good, but they reserve condemnation for violations of the right.

One principle that liberals generally embrace as a principle of right is John Stuart Mill's principle of liberty: "[T]he only purpose for which power can be rightfully exercised over any member of a civilized community, against his will, is to prevent harm to others." Mill was explicit that "harm" meant harm to the liberty or security

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[2]This distinction between the right and the good is a shorthand, derived from more fundamental concepts of the right and the good in the following way. A person's conception of the good refers to what he or she values. Moral reason (reason applied to one's choice of ends) is able to arrive at some important conclusions about what all reasonable people (all people who are moved by the implications of reason for ends as well as means) must value. These values restrict the means that can possibly be part of a rational pursuit of these values. Such restrictions on means are called principles of right.

There are many questions of value—questions of the good—over which reasonable people can disagree. Such questions of the good do not give rise to principles of right. Liberal philosophers often use the concept of "the good" to refer exclusively to questions of value of this sort. Questions of value about which all reasonable people must agree are then referred to under the heading of the principles of right that they generate. These shorthand definitions are the ones that I use in the text.

Regarding other usages: many philosophers distinguish between questions of right and good by the subject of the question, not by whether reasonable people can agree on the answer. I believe that these definitions yield the same categories as the definitions I have used. That is, the questions on which reason is conclusive are just those that have traditionally been considered the subject of right. Rawls emphasizes a further distinction between "teleological" and "nonteleological" definitions of right. My definitions are teleological, his are nonteleological. Again, I think that ultimately they yield the same categories, though differences of approach are involved.

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interests (what Mill called the "direct" interests) of others.[3] Thus the principle has a lot of force. On the other hand, Mill made an exception for minors, and an exception should also be made when people do not have a direct interest in being allowed to engage in a particular activity. In this case the act of restraining them does not harm direct interests, so Mill's principle does not prohibit it; the question of legal restraint can be turned over to majority rule. In practice, this exception will apply only to certain acts performed in public, such as acts of public obscenity. But this still leaves substantial scope for majorities to have their way, even on questions of "mere" morality, where direct interests are not at stake.

While a Millian conception of the limits of punishability is central to liberalism, democracies cannot always be counted on to choose principles that reasonable people would agree upon. This is the source of the conflict between liberty and crime control. Things may wrongly be made illegal. When this happens, liberty must be protected through procedural restrictions on law enforcement. But when liberty is indirectly protected in this way, increased protection of liberty can be achieved only at the price of increased restrictions on the control of crime (and vice versa). In principle, this conflict is unnecessary: If we could articulate and agree upon the proper scope of liberty, and protect it directly in the Constitution, then the only reason for procedural restrictions would be to uphold the rule of law. Procedural restrictions could be relaxed accordingly, and crime control and the protection of liberty would both be enhanced.

Unfortunately, our own constitutional system of liberty relies heavily on procedural restrictions. The Preamble to the Constitution makes clear the intent to secure an ideal of liberty, but the Framers did not know how to articulate this full ideal. They made this explicit in the Ninth Amendment, where they proclaimed that they were not enumerating the full extent of protected rights. Indeed, the only enumerated protections of liberty in the Bill of Rights are listed in the first three Amendments. The bulk of the Bill of Rights enumerates procedural restrictions. The Framers balanced crime control and the protection of liberty as best they

[3]An important aspect of Mill's distinction between direct and indirect interests is whether interests are self-regarding or other-regarding. Thus disapproval *per se*, along with other reactions to the behavior of others, is an "indirect interest" in Mill's usage because it is "other-regarding." Many scholars have found this distinction unworkable, since a person's vicarious interests in the behavior of others can destroy his health, undermine his autonomy, and otherwise affect his direct interests. Nevertheless, a perfectly clear and workable distinction can be drawn: so long as a person's direct interests are affected only *through* his vicarious or "other-regarding" interests, his interest is considered indirect.

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could, but they left it to the future to enumerate the full scope of liberty and to eliminate the conflict between these two goals.

It is the conflict between crime control and liberty, not a lack of retributive fervor, that prompts liberals to oppose many law-enforcement strategies. If some liberals have grown to distrust retribution, after having to battle its proponents on substantive issues for many years, they would do well to remember its merits. But an answer to the underlying conflict between crime control and the protection of liberty will come only when we succeed in articulating and agreeing upon the limits of punishability.

RAWLS tries not only to illuminate the limits of punishability, but also to discover the principles of right for distributive justice. Brubaker argues that Rawls's system of justice lacks any moral component because it is based on self-interest. Retributive concerns do have moral content, and accordingly Brubaker is able to endow retribution with a moral status that the mere control of behavior lacks. But Brubaker is mistaken here too. Rawls's theory is not based on any assumption of selfishness. If, like Rawls, one is trying to arrive at principles acceptable to all reasonable people, it is wise to make conservative assumptions about people's desires and goals. Almost everyone cares about himself, or at least about personal control over what Rawls calls "primary goods"—wealth and income, rights and liberties, careers and opportunities. If one can arrive at principles of justice based only on concern for these things, one can conclude that justice requires principles that are at least this egalitarian. If, as we hope, people also care about the welfare of others and about the public interest, *a fortiori* they will accept Rawls's principles of justice.

Brubaker is simply wrong to suggest that if Frederick Douglass had been a Rawlsian, he would have encouraged the freedmen selfishly to await the charity of society. The idea behind Rawls's theory is precisely to establish conditions that will encourage all to be fully contributing members of society. In Rawls's words: "The difference principle ... seems to be a fair basis on which those better endowed, or more fortunate in their social circumstances, could expect others to collaborate with them...." Indeed, Rawls's difference principle (which allows inequalities in the distribution of benefits only if they improve the welfare of the least advantaged) extends only to those who accept its terms and, to the best of their abilities, do become fully contributing members of society. Those who decide to withhold their efforts and await the charity of society can take no comfort from the difference principle. In Rawls's words: "We are not to gain from the cooperative efforts of others without doing our fair share."

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Brubaker's various charges against Rawls are all, in one form or another, charges of moral relativism. But in fact Rawls's *Theory of Justice* is this century's most comprehensive attempt to construct a theory of right that transcends historical circumstance. No one attacks Rawls with more passion than those on the left who view all judgments of right and wrong as ideological defenses of vested interests. Conservatives need not embrace all of Rawls's conclusions to welcome his accomplishments in showing how we can identify the fundamental principles of right and wrong.

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Rejoinder to Rawls

STANLEY C. BRUBAKER

I WROTE "In Praise of Punishment" because punishment—as distinct from deterrent penalties, incapacitation, or rehabilitation—gives criminals what they deserve. In holding people responsible for their deeds and assessing the depravity of character revealed in those deeds, punishment also reminds us why praise is significant: through praise we affirm nobility of character and deed. The impulses to praise what is noble and to punish what is depraved are fundamental to human experience. These impulses are also vital for the health of the polity, since sound character promotes—and in significant part constitutes—the polity's well-being. Contemporary liberalism, I maintained, has denigrated the importance of character to politics and diminished personal responsibility to the point that it can neither praise nor blame. I identified John Rawls as the theorist who best exemplifies these regrettable aspects of contemporary liberalism.

In his response to my essay, Alexander Rawls charges me with wrongly denying that concepts of responsibility, desert, and retribution are present in Rawls's philosophy;[†] falsely attributing selfishness and relativism to it; and failing to understand that liberals are ambivalent toward punishment because of their fidelity to constitutional procedures that protect liberty.

Alexander Rawls begins by claiming that I have "inverted" Rawls's idea of desert; he contends that desert plays an essential

[†]When I refer to "Rawls" in this essay, I mean John Rawls.

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role in Rawls's theory, and that "justice as fairness" simply limits what one can claim in the name of desert. To assess this contention, we should let Rawls be Rawls. In *A Theory of Justice* Rawls admits that "there is a tendency for common sense to suppose that ... the good things in life generally should be distributed according to moral desert." In other words, common sense understands a moral order to be one in which, as I said in my essay, "the virtuous flourish and the wicked suffer." But Rawls tells us that "justice as fairness rejects this conception.... The principles of justice that regulate the basic structure and specify the duties and obligations of individuals do not mention moral desert, and there is no tendency for distributive shares to correspond to it."

Rawls, of course, knows whereof he speaks. He quite deliberately constructs his famous "original position," from which his principles of justice are derived, in such a way as to exclude the principal basis of desert—human excellence or the human good—as well as vastly to diminish the sense in which one could claim either to embody or to contribute to it. In the original position we are shorn of what natural endowments, psychological propensities, and ideas of the good life we might have upon entering society; all of these qualities are pronounced "arbitrary from a moral point of view." In the absence of these qualities, we (or rather whatever would then remain of us) are to choose principles of justice. Naturally, these principles will "not mention desert" and will have "no tendency ... to correspond to it." Instead, we have the "difference principle": social and economic advantages are justified only insofar as they benefit the least advantaged.

Since ideas of the human good are thought morally arbitrary in the original position, all life plans must be given "equal respect" when we are framing our principles of justice. The life plan of one whose "only pleasure is to count blades of grass" will not be judged inferior to that of a seeker of honor or wisdom. Similarly, in assessing what an individual contributes to society, human excellence plays no part; rather, contributions are to be assessed by the amount of wealth that they generate, since money is a common denominator that can help realize any life plan. This might lead one to hope that Rawls's theory would at least celebrate heroic entrepreneurs. But even this hope would be in vain; the theory virtually denies to individuals the capacity to claim that they actually make any contributions. First, one's natural assets are not really one's own; instead the difference principle tells us "to regard the distribution of natural talents [in society] as a common asset." Second, one's cultivation of an asset into a talent is as much a matter of contingency as the initial distribution of assets:

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> The assertion that a man deserves the superior character that enables him to make the effort to cultivate his abilities is equally problematic; for his character depends in large part upon fortunate family and social circumstances for which he can claim no credit. The notion of desert seems not to apply to these cases.

So, contrary to the claims of Alexander Rawls, there is no notion of desert in Rawls's theory. Moral claims become "legitimate expectations," which are quite different; and expectations, of course, are legitimized by Rawls's principles of justice. In fact, Rawls's theory attacks desert. All social advantages are granted with a maximum feasible grudge. The least advantaged allow the gifted as little as is needed to induce them to develop their talents and to perform their tasks; the remainder of the increased wealth generated by the efforts of the gifted is allocated to the least advantaged. If anything is inverted here, it is the traditional theory of liberalism. Traditional liberalism believed in the right of property and the duty of charity. Under Rawls's new dispensation, welfare rights come first, and only as these are served are property rights permitted; further, since welfare *is* a right, charity has no place.

AN EVEN deeper degradation, however, is visited upon the republican traditions of honor and character that had, until the 1960s, accompanied liberalism. In the earlier liberal tradition, Frederick Douglass and the new freedmen took "manly pride" in celebrating the greatness of Abraham Lincoln and in displaying their own honor and glory. But what could a new Douglass, educated by Rawls, possibly say in erecting a monument to Lincoln except that with it he hoped "to encourage others to bring us things that we cannot get for ourselves"? Rawls is the strategist who changed the battle cry of freedom and glory to the whine of victimization and self-pity.

Having forsworn human excellence as a measure of action and having stripped character and natural traits from his theory of agency, Rawls can speak of "responsibility" only in an anemic sense hardly worthy of the name. At best his concept bears a pale and thin resemblance to desert. Specifically on the question of punishment, Rawls makes clear that penal sanctions are to be imposed not as retribution, to give criminals their deserts, but only as deterrent penalties designed to stabilize future social cooperation: "[T]he principle of responsibility is not founded on the idea that punishment is primarily retributive or denunciatory." One suspects that Alexander Rawls as well—notwithstanding his protestations to the contrary—would rather do without retribution, as indicated by

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his attempt to explain the public response to John Mack in terms of equal treatment and deterrence.

Alexander Rawls's second charge is that I wrongly attribute selfishness and relativism to Rawls's theory. If we focus on the least advantaged, whose perspective defines the principles of justice, Rawls's theory *is* based on selfishness; the least advantaged get as much as possible in return for their social cooperation, while the more talented get as little as possible. But my larger point was that the sense of "self" is flattened and debased after the peaks of nobility and the valleys of depravity are removed.

Rawls attempts to build a theory of justice prior to the human good and independent of it—an absolute theory of right combined with a relative theory of the good. Herein lies his most basic mistake. The good is necessarily the more fundamental concept, for how can one be truly just to another without knowing how to be truly good to him? By excluding from his theory what is truly good—that is, good by nature—Rawls relegates his theory to a species of relativism. Although *A Theory of Justice* does read as a "comprehensive attempt to construct a theory of right that transcends historical circumstance," Rawls himself seems later to have realized the relativism underlying his project. In his 1985 essay "Justice as Fairness: Political not Metaphysical," he sought to justify his theory of right apart from "claims to universal truth, or claims about the essential nature and identity of persons," and to rest it instead on contemporary historical circumstances.

Finally, Alexander Rawls contends that the desire to secure liberty through procedural safeguards is the real motive underlying liberals' hesitancy in attacking crime. But since my essay concerned the treatment to be accorded the guilty, not the procedures by which guilt is determined, I fail to see the relevance of his contention. Alexander Rawls implies that contemporary liberals are more faithful to the Constitution than conservatives, and that this accounts for the liberal reluctance to punish; but then he himself seems to depart from the Constitution by reading a neo-Millian or Rawlsian theory of liberty into the Ninth Amendment. As this example suggests, contemporary liberals are *not* constrained by the Constitution; both contemporary liberalism and the American polity would be in much better shape if they were.

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